KIT | KEPPEL INFRASTRUCTURE TRUST

Driving Growth

Annual Report 2022

Driving Growth

In a constantly evolving world, businesses need to differentiate themselves through resilience, innovation and being able to respond quickly to changes in order to succeed.

Keppel Infrastructure Trust is building a global and well-diversified portfolio of infrastructure businesses and assets to drive transformational growth, while playing a critical role in providing electricity and gas, managing waste and enhancing water security.

Vision

To be the preferred infrastructure business trust, serving as the trusted partner to our stakeholders.

Mission

Delivering value to investors by building a global well-diversified portfolio of sustainable businesses and assets in the infrastructure sector.

We Are Supporting the Move Towards a Better Future

Because we believe that our actions can drive positive change.

Staying committed to our cause, we are embedding ESG considerations into our value chain as we future-proof our portfolio for sustainable value and income resilience. We want to deliver sustainable growth by creating a positive impact on the environment, and contributing to the global climate agenda.

Transformational Year of Growth

"The Trustee-Manager completed five acquisitions in 2022, growing the Trust's total asset base by 32% or $1.5 billion, to $6.0 billion as at end-2022. The new acquisitions enlarged KIT's footprint into new geographies of South Korea, Germany, Norway, Sweden and the Kingdom of Saudi Arabia, expanding KIT's portfolio to more than 10 economies globally."

Daniel Cuthbert Ee Hock Huat, Chairman

Read more in the Chairman's Statement on pages 10 to 13

Advancing Sustainability Agenda

"2022 was an important year in advancing our sustainability agenda. KIT reshaped its strategy and portfolio to ensure it can capitalise on and contribute to the global transition to a low-carbon economy. With this strategic reorientation, we made our first foray into the renewables market with acquisitions of 723 MW of operating wind energy assets in Europe, with a further pipeline of 1.2 GW."

Jopy Chiang, CEO

Read more in the Sustainability Report on pages 38 to 76

Forest Carbon Capture Study at Philippine Coastal

A high-level study on carbon capture at Philippine Coastal allows the Trustee-Manager to explore more ways to reduce greenhouse gas (GHG) emissions at its businesses and assets.

Read more on page 53

Innovative Green Energy Solutions

Championing innovative solutions such as the use of green hydrogen and solar power at City Energy, and exploring low carbon solutions at our water plants.

Read more on page 58

Key Figures for 2022

Strong Financial Performance

Record EBITDA
$402.0m[1]

Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) increased by 26.6% year-on-year (YoY) to $402.0 million in 2022, a record performance since the Trust was formed in 2015.

Distributable Income Growth
$222.5m

Distributable Income increased by 15.8% YoY to $222.5 million in FY 2022, supported by new acquisitions, steady portfolio performance and another record year at Ixom.

Higher DPU
3.82 cts

Higher Distribution per Unit (DPU) of 3.82 cents for FY 2022, a 1.1% increase from FY 2021.

Building a Diversified and Defensive Global Portfolio

Driving New Acquisitions
$6.0b

Total asset base increased by 32.5% to $6.0 billion as at 31 December 2022 with the addition of five new acquisitions and investments in the year.

Enlarged AUM with Portfolio Valuation[2]
$7.3b

Assets Under Management (AUM) of approximately $7.3 billion comprising 12 evergreen businesses and concession assets across more than 10 economies globally.

Well-Insulated Portfolio
>90%

KIT is well-positioned against inflation and higher energy prices with more than 90% of its businesses and assets with cost pass-through mechanism and availability-based revenue models.

Meeting Sustainability Targets

Increased Exposure to Renewables
↑ ~10%

KIT made headway in the renewable energy market with two wind farm acquisitions, increasing the Trust's exposure to renewables from 0% to approximately 10% of AUM as at 31 December 2022.

Progressing on Decarbonisation Roadmap
↓ 21%

Carbon emissions intensity reduced by 21% YoY to 8,585 tCO_2e/$m, a 20% improvement from 2019's level.

Upholding Board Diversity
>30%

Two out of six directors on the Board are female. The Trustee-Manager is committed to maintain at least 30% female Board representation.

1 Excludes gain on Ixom's divestment of Fiji business ($0.5 million), one-off acquisition related cost incurred for new investments (-$58.8 million), impairment loss on the Lista onshore wind farm in Norway (-$7.7 million) and investment in Philippine Coastal Storage & Pipeline Corporation (-$68.1 million), unrealised exchange gain ($0.4 million), and fair value gain on the investment in Aramco Gas Pipelines Company ($20.8 million). Group EBITDA would have been $289.1 million without the adjustments.

2 Appointed EY Corporate Advisors for inaugural annual portfolio valuation. Ixom's valuation is based on KIT's internal valuation, while valuations of the European Onshore Wind Platform, Borkum Riffgrund 2 and Eco Management Korea are based on the enterprise value of the acquisitions. AUM represents KIT's equity value in the enterprise value of its investments plus cash held at the Trust.

Financial Highlights

Financial Summary

for the financial year ended 31 December

	2022 $'000	2021 $'000	Change %
Group earnings before interest, tax, depreciation and amortisation (EBITDA)[1,2]	**402,015**	317,607	26.6
Funds from operations[3]	**232,347**	198,812	16.9
Distributable income[4]	**222,493**	192,210	15.8
Total distribution declared	**190,686**	188,670	1.1
Distribution per Unit (cents) declared	**3.82**	3.78	1.1
Distribution yield[5] (%)	**7.1**	6.9	2.9

Balance Sheet

for the financial year ended 31 December

	2022 $'000	2021 $'000	Change %
Total assets	**5,962,756**	4,500,783	32.5
Total liabilities	**4,055,600**	2,760,718	46.9
Unitholders' funds	**963,926**	1,111,718	(13.3)
Market capitalisation[5]	**2,695,567**	2,720,238	(0.9)
Number of Units in issue ('000)	**4,991,790**	4,991,263	–[6]
Net asset value per Unit (cents)	**19.3**	22.3	(13.5)
Adjusted net asset value per Unit[7] (cents)	**19.1**	22.5	(15.1)

1 FY 2022 excludes gain on Ixom's divestment of Fiji business ($0.5 million), one-off acquisition-related cost incurred for new investments (-$58.8 million), impairment loss on Lista onshore wind farm in Norway (-$7.7 million) and investment in Philippine Coastal (-$68.1 million), unrealised exchange gain ($0.4 million), and fair value gain on the investment in AGPC ($20.8 million). Group EBITDA would have been $289.1 million without the adjustments.
2 FY 2021 excludes loss on derecognition of Basslink following the voluntary administration (-$161.9 million), one-off acquisition related cost incurred and expenses related to a fair value review exercise undertaken by Ixom following its acquisitions of assets and businesses (-$6.5 million), and impairment loss on Ixom's assets mainly in relation to the cessation of operations of a long-term customer (-$21.7 million). Group EBITDA would have been $127.5 million without the adjustments.
3 Funds from operations is defined as profit after tax adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capex, non-cash adjustments and non-controlling interests adjustments.
4 Distributable Income is net of trust expenses, distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.
5 Based on Unit closing price of $0.54 and $0.545 at the last trading day of FY 2022 and FY 2021 respectively.
6 The change was less than 0.1% between FY 2021 and FY 2022.
7 Based on net asset value before hedging and translation reserves.

Corporate Profile and Strategic Direction

KIT plays a critical role in supporting Singapore's circular economy and economic growth, through providing electricity and gas, managing waste, and enhancing water security. Globally, its portfolio of critical infrastructure includes town gas production, gas pipelines, wind farms, waste treatment and water purification, manufacturing and distribution of essential chemicals, as well as the storage of petroleum products, serving a large customer base comprising government agencies, multinational corporations, commercial & industrial enterprises, and retail consumers across the Asia Pacific, Europe, and the Middle East.

KIT's investment strategy is to build a well-diversified portfolio of businesses and assets that exhibits linkage to economic growth and domestic inflation. This will support the long-term growth of KIT's distributions and contribute to a sustainable future.

Playing an important role in building the infrastructural foundation for a sustainable future, KIT also places environmental, social and governance (ESG) at the core of its strategy to create value and achieve growth.

With a focus on evergreen, yield-accretive businesses and assets that will benefit from long-term growth trends, KIT's key target sectors include traditional infrastructure with long-term utility-like contracted cash flows, infrastructure that will benefit from the low-carbon economy and support the digital economy, as well as infrastructure that will enhance economic growth and social wellbeing.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte Ltd (Keppel Capital), a premier asset manager with a diversified portfolio of real estate, infrastructure, data centres and alternative assets in key global markets. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and environmental infrastructure solutions and services.

Keppel Infrastructure Trust aims to deliver sustainable returns to its Unitholders, through a combination of recurring distributions and capital growth over the long term.

With ESG at the core of its strategy, the Trustee-Manager will continue to actively manage KIT's portfolio and create value to achieve sustainable growth.

Focused Investment Strategy

- Actively pursue third party evergreen businesses and yield-accretive acquisitions and investments, with a focus on developed markets globally
- Leverage the Keppel ecosystem for operational expertise and to seek co-investment and/or incubation opportunities

Prudent Capital Management

- Employ an optimal mix of debt and equity in financing acquisitions and investments to optimise returns while maintaining financial flexibility
- Apply appropriate hedging strategies to achieve best risk-adjusted returns and enhance stability of distributions
- Diversify sources of funding and maintain a well-spread debt maturity profile to reduce concentration risks
- Active risk management to ensure effectiveness of policies amid evolving market conditions

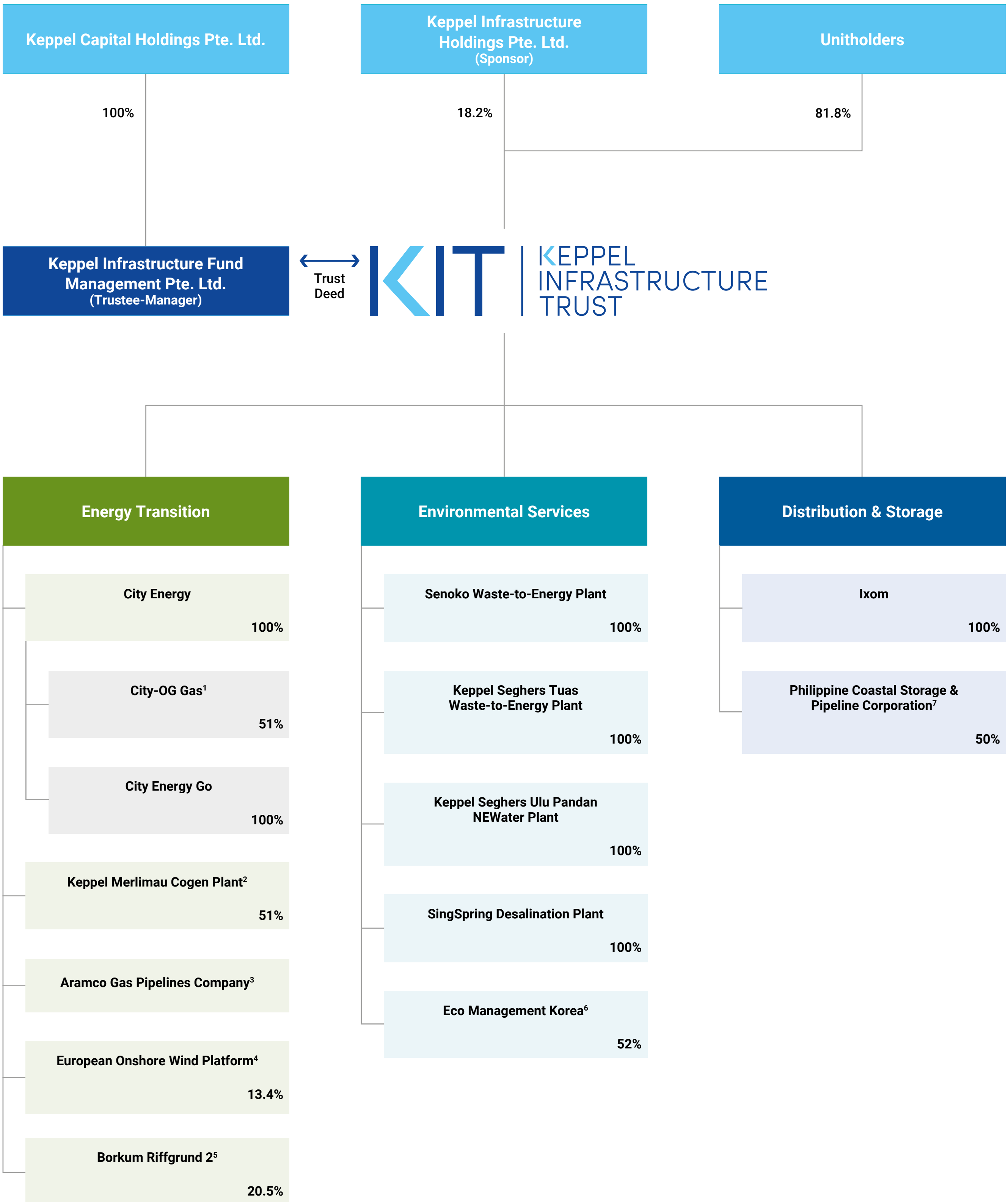
Proactive Asset Management

- Achieve organic growth through bolt-on acquisitions and business expansions to grow and improve cash flow resilience
- Achieve operational excellence and asset optimisation to extract further value
- Leverage technologies, digitisation and automation to enhance productivity
- Implement proactive risk management and business continuity plans
- Continue to draw on Keppel's development capabilities and strong operational track record to drive asset performance

Sustainability

- Implement industry best practices to support a sustainable future
- Committed to ESG excellence through reducing environmental impact, upholding strong corporate governance, as well as making a positive impact on the communities where we operate, and building a diverse and inclusive workforce

Trust Structure



1 Osaka Gas Singapore Pte. Ltd. holds the remaining 49% equity interest in City-OG Gas Energy Services Pte. Ltd.
2 Keppel Energy Pte. Ltd. holds the remaining 49% equity interest in Keppel Merlimau Cogen Plant.
3 Part of a global consortium to acquire a 49% stake in Aramco Gas Pipelines Company (AGPC). KIT holds a minority and non-controlling interest in AGPC.
4 Jointly invested with Keppel Renewable Investments (KRI), Kommunal Landspensjonskasse and MEAG MUNICH ERGO AssetManagement GmbH to acquire a 49% stake in a diversified portfolio of three operating onshore wind farms in Norway and Sweden from Fred. Olsen Renewables AS (FORAS); FORAS holds the remaining 51% interest.
5 Jointly invested with KRI to acquire a 25% stake in a German offshore wind farm. Ørsted and Gulf International Holding Pte. Ltd. hold the remaining interests with 50% and 25% stakes respectively.
6 Jointly invested with Keppel entities, with Keppel Asia Infrastructure Fund and Keppel Infrastructure holding 30% and 18% interests respectively.
7 KIT and Metro Pacific Investments Corporation (MPIC) each indirectly holds an approximately equal percentage of interest in Philippine Coastal Storage & Pipeline Corporation, with KIT indirectly holding one voting share more than MPIC.

Our Presence

Keppel Infrastructure Trust has a diversified portfolio of strategic businesses and assets globally, providing exposure to the resilient and growing global infrastructure sector.

Assets Under Management
with portfolio valuation

$7.3b

Portfolio of scale providing global access to attractive real assets

Businesses and Assets

12

Evergreen businesses and concession assets underpinned by strong long-term tailwinds

Energy Transition · Environmental Services · Distribution & Storage

1
Singapore
Energy Transition
- City Energy
- Keppel Merlimau Cogen Plant

Environmental Services
- Senoko Waste-to-Enegy (WTE) Plant
- Keppel Seghers Tuas WTE Plant
- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant

2
Germany
Energy Transition
- Borkum Riffgrund 2

3
Norway & Sweden
Energy Transition
- European Onshore Wind Platform

4
Kingdom of Saudi Arabia
Energy Transition
- Aramco Gas Pipelines Company

5
South Korea
Environmental Services
- Eco Management Korea

6
The Philippines
Distribution & Storage
- Philippine Coastal Storage & Pipeline Corporation

7
Australia & New Zealand
Distribution & Storage
- Ixom
  - New South Wales
  - New Territories
  - Queensland
  - South Australia
  - Victoria
  - Western Australia
  - North Island
  - South Island

Driving Growth

Despite the macroeconomic uncertainties, KIT was able to seize significant opportunities in 2022 for a transformational year of growth.

Daniel Ee, Chairman

Dear Unitholders,

On behalf of the Board and management of the Trustee-Manager, I am pleased to present the Annual Report of Keppel Infrastructure Trust (KIT) for the financial year ended 31 December 2022 (FY 2022).

2022 marked the reopening of international markets as COVID-19 became endemic, but was marred by market volatility caused by the Ukraine War and geopolitical tensions, which aggravated energy security and supply chain concerns. This has led to high inflation and interest rate environment, weighing down the global economy.

Despite the macroeconomic uncertainties, KIT was able to seize significant opportunities in 2022 for a transformational year of growth.

Driving Growth

KIT delivered a 26.6% year-on-year (YoY) growth in EBITDA to $402.0 million in 2022, a record performance since the Trust was formed in 2015. The strong growth is supported by new income streams from new acquisitions, and the healthy performance of the KIT portfolio. Distributable Income also increased by 15.8% YoY to $222.5 million in FY 2022.

The Trustee-Manager completed five acquisitions in 2022, growing the Trust's total asset base by 32.5% or $1.5 billion, to $6.0 billion as at end-2022. The new acquisitions enlarged KIT's footprint into new geographies of South Korea, Germany, Norway, Sweden and the Kingdom of Saudi Arabia, expanding KIT's portfolio to more than 10 economies globally.

In growing its Energy Transition segment, KIT completed two wind farm acquisitions in Europe, namely an offshore wind farm in Germany, as well as a European onshore wind platform comprising three assets across Norway and Sweden. These two acquisitions, jointly made with Keppel Corporation, reflected the synergy with the larger Keppel Group and marked KIT's expansion into the burgeoning renewable energy sector, supporting the global climate agenda. This follows KIT's earlier investment in the Aramco Gas Pipelines Company, a strong and growing business that is underpinned by one of the world's largest reserves of natural gas. Beyond income diversification, these investments increased KIT's exposure to the green infrastructure segments and support the energy transition of the European and Saudi economies towards a more sustainable energy future.

In the Environmental Services segment, KIT partnered Keppel Asia Infrastructure Fund and Keppel Infrastructure, the Sponsor of KIT, to acquire Eco Management Korea (EMK), one of the leading integrated waste management platforms in South Korea. Backed by strong underlying demand for clean solutions to waste treatment, we see many opportunities to scale up EMK's business by leveraging the Keppel Group's technical expertise, and capitalising on the fragmented waste management market in South Korea. In Singapore, KIT completed the acquisition of the remaining 30% stake in SingSpring Desalination Plant, enhancing the operational and business continuity of the asset. The Trustee-Manager has also signed a non-binding term sheet with Keppel Infrastructure to acquire the Keppel Marina East Desalination Plant (KMEDP), Singapore's first and only large-scale dual mode plant, which can treat seawater or rainwater drawn from the Marina Reservoir.

> The diversification into new geographies and sectors will continue to improve the cash flow visibility of the Trust, driving long-term value creation through sustainable growth, which is at the core of KIT's investment philosophy.

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Steady Portfolio Performance

The KIT portfolio continues to deliver high availability and strong operational performance across its businesses and assets in FY 2022.

City Energy strengthened its position as a provider of innovative green energy solutions, driving new growth engines in electric vehicle charging services and IoT-enabled home solutions, to serve the needs of a greener, more connected city. Backed by a strong recovery in the food and beverage sector, its town gas business remained stable, achieving 100% availability for the year and growing its customer pool to a sizeable base of 886,000. The Keppel Merlimau Cogen Plant (KMC) achieved close to 98% contractual availability in the year.

Key Progress in 2022

- Delivered record EBITDA of $402.0 million in 2022, a 26.6% YoY increase from FY 2021.
- Higher DPU of 3.82 cents for FY 2022, a 1.1% increase from FY 2021.
- Transformational growth with five acquisitions in 2022, growing total asset base by 32.5% to $6.0 billion.
- Conducted first annual portfolio valuation, bringing AUM to $7.3 billion for FY 2022.
- Well-positioned against inflation and higher energy prices with over 90% of KIT's businesses and assets with cost pass-through mechanisms and availability-based revenue models.

KIT will continue to scale up and build a diversified portfolio of evergreen and concessionary assets that will benefit from the long-term growth trends of decarbonisation and digitalisation.

Operations at the Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants also remained stable, achieving availability above their contractual obligations in FY 2022.

In the Distribution and Storage segment, Ixom in Australia turned in another record performing year, while Philippine Coastal continued to see higher utilisation rate. Ixom strengthened its market position with the acquisitions of Aromatic Ingredients, Pure Ingredients, and Bituminous Products, expanding its Life Sciences and Construction segments. In the Philippines, the conversion of tanks to support the increase in storage demand for economical grade gasoline at Philippine Coastal continued to yield results, supporting the increase in fuel storage utilisation rate to 90.5% in December 2022. This is a significant increase from the 66% utilisation rate when KIT acquired the business in January 2021, demonstrating the Trustee-Manager's focus on optimising the Trust's portfolio and deliver growth.

Boosting ESG Performance

Extreme weather events brought about by global warming are impacting human lives, homes and livelihood on an unprecedented scale. The battle against climate change will continue to feature prominently in the global business landscape. Businesses that recognise the importance of supporting a sustainability-focused future will drive long-term sustainable growth and benefit from this generational tailwind as a responsible corporate citizen.

Playing a critical role in providing electricity and gas, managing waste, and enhancing water security, the Trustee-Manager places environmental, social and governance (ESG) factors at the core of its strategy to create value and achieve growth.

I am pleased to share that KIT is on track to achieve its ESG targets. We have reported a 21% YoY reduction in carbon emissions intensity and grown the Trust's exposure to renewables from 0% to 10% of Assets Under Management (AUM) with our investments in the wind farm assets. These are in line with KIT's targets to reduce carbon emissions intensity by 30% from 2019 levels, and to increase the Trust's portfolio exposure to renewable energy by up to 25% of our AUM by 2030.

To further our leadership commitment to ESG, we established the Board ESG Committee at the beginning of 2022. The BEC convenes quarterly, providing oversight of KIT's ESG strategy, polices and initiatives, as well as reviewing and monitoring its effectiveness to drive long-term climate risk management and decarbonisation initiatives. We are glad to also share that the Trustee-Manager is now a signatory to the UN-supported Principles for Responsible Investment, under the membership of Keppel Capital.

As part of its strategic oversight, the Board has reviewed, approved, and considered the material ESG factors in KIT's business and strategy formulation. The Board will continue to review and monitor the management and performance of these ESG factors periodically, with support from management and feedback from key stakeholders.

Looking Ahead

Resilient through cycles, the infrastructure sector remains a bright spot amid the gloom in the global economy. In line with our vision to be the leading infrastructure business trust and to deliver sustainable growth in distributions to Unitholders, KIT will continue to scale up and build a diversified portfolio of evergreen and concessionary assets that will benefit from the long-term growth trends of decarbonisation and digitalisation.

To further our growth, we are also pursuing opportunities to optimise the KIT portfolio. This includes capital recycling and unlocking value from our businesses and assets to further strengthen KIT's portfolio, creating long-term value for the Trust and our Unitholders.

With a portfolio of essential infrastructure assets, we will continue to safeguard our supply chain and ensure that power, clean water, town gas, waste incineration and essential chemicals continue to be readily available to support the economies and populations in Singapore and overseas.

Against this inflationary environment, I would also like to assure investors that the KIT portfolio is well-insulated against inflation and higher electricity costs, having over 90% of our businesses and assets with cost pass-through mechanisms and availability-based revenue models.

Acknowledgements

The Board and management would like to express our heartfelt appreciation to Mr Thio Shen Yi, who stepped down from the Board in October 2022, in line with Board renewal, for his invaluable counsel and contribution to the Trust. We welcome Mr Adrian Chan Pengee, who joined us as an Independent Director. Adrian brings with him decades of experience as a successful corporate lawyer and depth of expertise in corporate governance, which will strengthen the Board's competencies as we continue to steer KIT to deliver sustainable growth and value to our Unitholders.

On behalf of my fellow Board members, I would like to convey my appreciation to our Unitholders, valued customers and business partners for your continuous support over the years. To the management team and all employees, my sincere appreciation and gratitude for your commitment, persistence and hard work in driving KIT's transformation during the year.

We are excited and encouraged by KIT's growth prospects. With our strong balance sheet and access to diversified funding sources, we will continue to execute on growth opportunities and maintain operational excellence.

Yours sincerely,

Daniel Ee

Daniel Cuthbert Ee Hock Huat
Chairman
6 March 2023


City Energy strengthened its position as a provider of innovative green energy solutions.

Driving Portfolio Growth through Acquisitions
Expanding presence to AA and AAA-rated countries in Asia and Europe in 2022.

2019	2021	2022: AUM of $7.3 billion for FY 2022						
February 2019	**January 2021**	**February 2022**	**June 2022**	**June 2022**	**June 2022**	**September 2022**	**October 2022**	**December 2022**
Acquired 100% stake in Ixom	Acquired 50% interest in Philippine Coastal	Acquired 49% stake in Aramco Gas Pipelines Company as part of a consortium	Signed MOU with Jinko Power to explore solar farm and energy storage investments	Entered term sheet to acquire 100% economic interest in KMEDP1	Bought remaining 30% stake in the SingSpring Desalination Plant	Acquired a 13.4% interest in a European Onshore Wind Platform, with three wind farms across Norway and Sweden	Acquired a 52% interest in Eco Management Korea, an integrated waste platform in South Korea	Acquired a 20.5% interest in Borkum Riffgrund 2, an offshore wind farm in Germany

[1] Proposed acquisition of 50% stake in Marina East Water, owner of KMEDP. Transaction structure will result in KIT becoming the beneficiary of 100% economic interest in KMEDP.

Board of Directors

N A I

Daniel Cuthbert Ee Hock Huat, 70

Non-Executive Chairman and Independent Director

Date of first appointment as a director:
18 May 2015

Length of service as a director (as at 31 December 2022):
7 years 7 months

Board Committee(s) served on:
Nominating and Remuneration Committee (Chairman);
Audit and Risk Committee (Member);
Investment Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Science (Systems Engineering) (First Class Honours), University of Bath, UK;
Master of Science (Industrial Engineering), National University of Singapore

Present Directorships (as at 1 January 2023):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust); Olive Tree Estates Limited; Capitaland Ascendas REIT Management Limited (the Manager of Capitaland Ascendas REIT)

Other principal directorships
Singapore Mediation Centre

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

A N

Mark Andrew Yeo Kah Chong, 60

Independent Director

Date of first appointment as a director:
1 August 2015

Length of service as a director (as at 31 December 2022):
7 years 5 months

Board Committee(s) served on:
Audit and Risk Committee (Chairman)
Nominating and Remuneration Committee (Member)

Academic & Professional Qualification(s):
Master of Arts, Oxford University; Master of Laws, National University of Singapore;
Advanced Management Programme, INSEAD

Present Directorships (as at 1 January 2023):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust); IREIT Global Group Pte. Ltd. (Manager of IREIT Global)

Other principal directorships
Changi Airport Group (Singapore) Pte. Ltd.

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

BE A I

Kunnasagaran Chinniah, 65

Independent Director

Date of first appointment as a director:
1 August 2015

Length of service as a director (as at 31 December 2022):
7 year 5 months

Board Committee(s) served on:
Board Environmental, Social and Governance Committee (Chairman);
Audit and Risk Committee (Member);
Investment Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Engineering (Electrical), National University of Singapore; Master of Business Administration, University of California (Berkeley);
Chartered Financial Analyst®

Present Directorships (as at 1 January 2023):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust);
Capitaland Ascendas REIT Management Limited (the Manager of Capitaland Ascendas REIT);
Nirlon Limited (listed in India)

Other principal directorships
Changi Airports International Pte Ltd;
Edelweiss Alternate Asset Advisors Pte Ltd;
Hindu Endowments Board; Greenko Energy Holdings; Azalea Asset Management Pte. Ltd.

Major Appointments (other than directorships):
Consultant, Pavilion Capital International Pte Ltd;
Advisor, Archipelago Capital Partners Pte Ltd;
Investment Committee Member, Keppel Asia Infra Fund (GP) Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Edelweiss Financial Service Limited (listed in India);
Edelweiss Agri Value Chain Limited;
Edelweiss Commodities Services Limited;
Edelweiss Finvest Private Ltd;
Edelweiss Tokio Life Insurance Company Limited

Others:
Nil

Board Committees

A Audit and Risk Committee
N Nominating and Remuneration Committee
BE Board Environmental, Social and Governance Committee
I Investment Committee

BE

Chong Suk Shien, 53

Independent Director

Date of first appointment as a director:
5 March 2021

Length of service as a director (as at 31 December 2022):
1 year 10 months

Board Committee(s) served on:
Board Environmental, Social and Governance Committee (Member)

Academic & Professional Qualification(s):
Harvard Business School Owner/President Management Programme;
Executive Master of Business Administration, National University of Singapore

Present Directorships (as at 1 January 2023):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust)

Other principal directorships
SkillsFuture Singapore Agency (SSG);
Ministry of the Environment & Water Resources, National Environment Agency (NEA); Singapore Institute of Management (SIM) Group Limited;
Singapore Business Federation Foundation;
Greenpac (S) Pte Ltd; Greenphyto Pte Ltd

Major Appointments (other than directorships):
Chief Executive Officer, Greenpac (S) Pte Ltd;
Chief Executive Officer, Greenphyto Pte Ltd;
Chairman, E50 Association

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Singapore Gardens by the Bay

Others:
Nil

BE

Adrian Chan, 58

Independent Director

Date of first appointment as a director:
1 October 2022

Length of service as a director (as at 31 December 2022):
3 months

Board Committee(s) served on:
Board Environmental, Social and Governance Committee (Member)

Academic & Professional Qualification(s):
LLB (Hons), National University of Singapore

Present Directorships (as at 1 January 2023):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust);
Hong Fok Corporation Limited;
Best World International Limited;
First REIT Management Limited;
Food Empire Holdings Limited

Other principal directorships
Singapore Institute of Directors;
Azalea Asset Management Pte. Ltd.

Major Appointments (other than directorships):
Senior Partner and Head of Corporate Department, Lee & Lee;
Council Member, Law Society of Singapore;
Member, Legal Service Commission;
Co-Chair, Corporate Governance and Regulations Interest Group, Singapore International Chamber of Commerce

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
AEM Holdings Ltd.;
Global Investments Limited;
Yoma Strategic Holdings Ltd.

Others:
Nil

I N

Christina Tan Hua Mui, 57

Non-Executive Director

Date of first appointment as a director:
15 September 2016

Length of service as a director (as at 31 December 2022):
6 years 4 months

Board Committee(s) served on:
Investment Committee (Chairman);
Nominating and Remuneration Committee (Member)

Academic & Professional Qualification(s):
Bachelor of Accountancy (Honours), National University of Singapore; CFA® Charterholder

Present Directorships (as at 1 January 2023):
Listed entities
Keppel Infrastructure Fund Management Pte. Ltd. (the Trustee-Manager of Keppel Infrastructure Trust); Keppel DC REIT Management Pte. Ltd. (the Manager of Keppel DC REIT); Keppel REIT Management Limited (the Manager of Keppel REIT)

Other principal directorships
Keppel Capital Holdings Pte. Ltd.;
Alpha Investment Partners Limited;
Keppel Capital Alternative Asset Pte. Ltd.;
Keppel Land Limited;
Keppel Telecommunications and Transportation Ltd

Major Appointments (other than directorships):
Chief Executive Officer, Keppel Capital Holdings Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited

Others:
Nil

The Trustee-Manager

Jopy Chiang, 38
Chief Executive Officer

Mr Jopy Chiang was appointed Chief Executive Officer of the Trustee-Manager with effect from 1 August 2021.

Mr Chiang joined Keppel Capital in 2019 as Senior Vice President (Investments). He has over a decade of experience across infrastructure private equity and investment banking, with more than US$10 billion of transaction and advisory experience in developed and emerging markets of Asia-Pacific, Europe, Middle East and North America. Mr Chiang's investment experience spans the infrastructure spectrum across renewables, regulated utilities, conventional energy, distribution & transmission, transportation, water, waste and digital infrastructure, with a track record of successful returns to investors.

Mr Chiang was previously the Head of Execution at Mizuho Asia Infra Capital. Prior to that, he worked at Partners Group, Arcapita and Barclays Capital, and was based in Hong Kong, London and Singapore over the tenure of his career. While in Keppel Capital, Mr Chiang played a key role in the successful launch of the Keppel Asia Infrastructure Fund.

Mr Chiang holds a Master of Finance from the University of Cambridge, UK, and a Bachelor of Business Administration from the National University of Singapore. He is also a CFA® Charterholder.

Mr Chiang's principal directorships include City Energy Pte. Ltd. (Chairman), Keppel Merlimau Cogen Pte Ltd (Chairman), One Eco Co., Ltd. (Chairman), Philippine Coastal Storage & Pipeline Corporation (President), Ixom Holdings Pty Ltd. and Wind Fund I AS.

Eric Ng, 47
Chief Financial Officer

Mr Eric Ng was appointed Chief Financial Officer (CFO) of the Trustee-Manager with effect from 1 August 2021. Mr Ng joined the Trustee-Manager in 2017 and held the position of Head of Finance before his appointment as CFO.

As the CFO, Mr Ng is responsible for the Trustee-Manager's and KIT's financial and reporting functions, including accounting, taxation, treasury and compliance.

Mr Ng has more than 20 years of experience in large infrastructure and utility companies, holding roles in group reporting, corporate finance, financial control, corporate tax and treasury.

Prior to joining the Trustee-Manager, Mr Ng held various finance roles within large infrastructure and utility companies including 10 years with the Singapore Power Group. His last held role in Singapore Power Group was the head of treasury settlements division. Mr Ng started his career at KPMG Singapore as an auditor.

Mr Ng holds a Master's Degree in Business Administration from Alliance Manchester Business School, United Kingdom, and a Bachelor of Accountancy (Honours) degree from Nanyang Technological University, Singapore. He is also a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants and a CFA® Charterholder.

Marc Liu, 54
Head, Asset Management

Mr Marc Liu has been with the Trustee-Manager since May 2015.

As Head of Asset Management, Mr Liu develops and implements annual asset management plans to ensure sustainable operational and financial performance of KIT's asset portfolio. His main scope of work includes, among others, safety and sustainability, upkeeping of equipment conditions, digital transformation and automation, compliance and risk management, asset enhancement, organic and inorganic growth through market expansion, business optimisation and bolt-on acquisitions. Mr Liu oversees three sub-functions within Asset Management, including value creation, operational and technical solutions, and asset management financial support.

Prior to KIT's merger with CitySpring in 2015, Mr Liu was with City Energy as Senior Manager, Business Development in 2005, before moving to CitySpring to become Vice President, Investment in 2007 when it was listed.

His experience with critical infrastructure assets is instrumental to the Trustee-Manager. He was tasked to ensure that all KIT assets execute their respective long term business plans well, so as to continue to drive business outperformance, enhance market positions and create value to unitholders.

Mr Liu received his Masters in Finance from San Diego State University, where he graduated with honours as Beta Gamma Sigma and earned his Bachelor of Economics degree from Shanghai University. He is a CFA® Charterholder.

Operations Review

With a portfolio of critical businesses and assets, the Trustee-Manager is committed to achieving operational excellence, safeguarding public health and safety, and achieving high levels of customer satisfaction.

Energy Transition

Supports the transition to a low-carbon economy and furthers KIT's decarbonisation roadmap.

» **For more information, go to pages 20 to 23**

Environmental Services

Provides the essential services that protect human health and safeguard the environment.

» **For more information, go to pages 24 to 28**

Distribution & Storage

Supports the circular economy, driving economic growth.

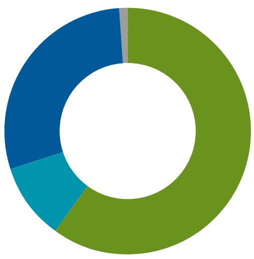
» **For more information, go to pages 29 to 31**

Portfolio Overview

The Trustee-Manager is committed to ensuring operational excellence in the day-to-day management of the Trust's portfolio of businesses and assets.

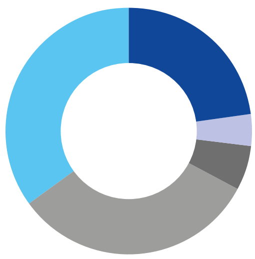
KIT continues to deliver high availability and strong operational performance across its businesses and assets.

Assets Under Management by Businesses (%)
as at 31 December 2022



Energy Transition		60.0
Environmental Services		10.0
Distribution & Storage		29.0
Cash held at Trust		1.0
Total	**$7.3 billion**	**100.0**

Assets Under Management by Geography (%)
as at 31 December 2022



Singapore		23.0
The Philippines		4.0
South Korea		6.0
Kingdom of Saudi Arabia		32.0
Australia, New Zealand and others		35.0
Total	**$7.3 billion**	**100.0**

KIT continues to deliver high availability and strong operational performance across its businesses and assets.

In 2022, the Trustee-Manager completed five acquisitions:

- Participated in one of world's largest energy infrastructure deals with the investment in Aramco Gas Pipelines Company (AGPC).
- Made headway in the renewable energy market with two investments into wind assets across Europe.
- Acquired Eco Management Korea (EMK), a leading waste management platform in South Korea, drawing on proprietary expertise across the Keppel ecosystem.
- Enhanced operational continuity with the acquisition of the remaining 30% interest in the SingSpring Desalination Plant.

The Trustee-Manager works closely with its businesses and focuses on its assets to drive value creation and sustainable growth through proactive and strategic asset management.

In doing so, KIT is able to:

- improve operational efficiencies and ensure quality control;
- leverage technology to improve operational performance;
- uphold high standards in health, safety, security and environment (HSSE); and
- strengthen risk management practices through robust business continuity plans and regulatory compliance.

Keppel Infrastructure Trust's Portfolio Comprises:

Energy Transition

Asset	KIT's Interest	Business	Customer	Contract Terms
City Energy	100% / City Energy Trust owns 51% interest in City-OG Gas and 100% interest in *Go* by City Energy	Sole producer and retailer of piped town and green energy solutions provider	Approximately 886,000 residential, commercial and industrial customers	–
Keppel Merlimau Cogen Plant (KMC)	51% / Keppel Energy Pte. Ltd. Owns 49% interest in KMC	1,300 MW combined cycle gas turbine power plant	Keppel Electric	2030, with option for 10-year extension (underlying lease till 2035, with option for 30-year extension)
Aramco Gas Pipelines Company (AGPC)	Indirect minority and non-controlling stake	Holds a 20-year lease and leaseback agreement over the usage rights of Aramco's gas pipelines network	Aramco, one of the largest listed companies globally	Quarterly tariff payments backed by a minimum volume commitment for 20 years with built in escalation
European Onshore Wind Platform	13.4%	Initial portfolio of three wind farm assets in Sweden and Norway with a combined capacity of 258 MW and pipeline of 1.2 GW for FORAS	All electricity produced sold to local grid	–
Borkum Riffgrund 2 (BKR2)	20.5%	A 465 MW operating offshore wind farm located in the North Sea off the coast of Germany	Ørsted	20-year power purchase agreement till 2038

Environmental Services

Asset	KIT's Interest	Business	Customer	Contract Terms
Senoko Waste-to-Energy (WTE) Plant	100%	2,310 tonnes/day waste incineration concession	NEA, Singapore's National Environment Agency	2024
Keppel Seghers Tuas WTE Plant	100%	800 tonnes/day waste incineration concession	NEA, Singapore's National Environment Agency	2034
Keppel Seghers Ulu Pandan NEWater Plant[1]	100%	148,000 m^3/day NEWater concession	PUB, Singapore's National Water Agency	2027
SingSpring Desalination Plant	100%	136,380 m^3/day seawater desalination concession	PUB, Singapore's National Water Agency	2025 (underlying land lease till 2033)
Eco Management Korea	52%	Leading integrated waste management services player in South Korea	Variety of customers including government municipalities and large industrial conglomerates	–

Distribution & Storage

Asset	KIT's Interest	Business	Customer	Contract Terms
Ixom	100%	Supplier and distributor of key water treatment, industrial and specialty chemicals in Australia and New Zealand	Over 30,000 customers including municipalities and blue-chip companies	–
Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal)	50%	The largest independent petroleum storage facility in the Philippines, located in Subic Bay	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk

[1] Keppel Seghers Ulu Pandan NEWater Plant has an overall capacity of 162,800 m^3/day, of which 14,800 m^3/day is undertaken by Keppel Seghers Engineering Singapore.

Energy Transition

Supporting the transition to a low-carbon economy and furthering KIT's decarbonisation roadmap.

- City Energy
- Keppel Merlimau Cogen Plant
- Aramco Gas Pipelines Company
- European Onshore Wind Platform
- Borkum Riffgrund 2

City Energy

Overview

As Singapore's sole provider of piped town gas, City Energy has a sizeable customer base of approximately 886,000 residents, commercial and industrial customers island wide.

City Energy operates Senoko Gasworks, Singapore's only town gas plant, which has a production capacity of 1.6 million m^3 per day. As the only facility producing town gas in Singapore, Senoko Gasworks generates town gas using three continuous reforming plants and five cyclic reforming plants, each with a production capacity of 200,000 m^3 per day. The plants are equipped to use both natural gas and light virgin naphtha as feedstock. The town gas produced can either be stored in two spherical gasholders or sent out through the distribution network to customers.

Beyond its core piped town gas business, City Energy is pivoting to be a green energy solutions provider, offering innovative solutions for smarter and greener living. *Life* by City Energy offers low-carbon, Internet-of-Things (IoT) kitchen and living solutions while *Go* by City Energy provides electric vehicle (EV) charging solutions.

Operating Review

City Energy achieved 100% gas production availability at its Senoko Gasworks facility, supplying a constant and reliable energy source for homes and businesses.

In the residential segment, City Energy installed gas supply infrastructure to approximately 21,700 newly constructed condominium units and Housing Development Board flats across 142 new developments. This was approximately 62% higher compared to 2021, as more developments were completed in 2022. City Energy also installed over 4,000 gas water heaters in public housing and over 462 in private condominiums in 2022.

In the Commercial and Industrial (C&I) segment, demand for gas recovered by 9% in 2022, supported by the recovery of the food and beverage industry, as well as the resumption of international events such as the Formula 1 Singapore Grand Prix.

In 2022, City Energy saw a 13% increase in installation jobs compared to 2021, as it continues to grow its customer base. To improve its offerings, City Energy continued to strengthen its Installation and Contract Services (ICS) team, with an added focus on the provision of gas safety support, beyond standard installation works and inspections.

To create an experiential shopping experience, the *Life* by City Energy retail store located at Plaza Singapura underwent a makeover in 2022. The store features nine self-guided interactive installations, including an intelligent garden-in-the-home concept that aims to inspire homes of the future and promote the adoption of a greener and smarter lifestyle. The retail store also showcases gas-powered water heating and clothes drying solutions, EV charging, smart access, and IoT-enabled home solutions.

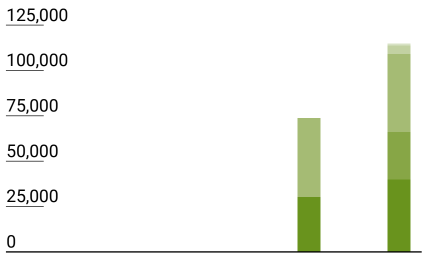
City Energy launched its EV charging services business in April 2022. As at end-December 2022, *Go* by City Energy has deployed 32 charging points in Singapore, advancing the country's push to electrify its vehicle population as part of the Singapore Green Plan 2030. It is the first EV charging operator in Singapore to offer a seamless cross-border EV charging experience to Malaysia through a single mobile application.

Championing innovative solutions and exploring low-carbon alternatives, City Energy has announced collaborations to accelerate the commercial usage of hydrogen in Singapore. Together with industry peers, City Energy embarked on studies to evaluate the technical and commercial feasibility of the production, importation, and storage of green hydrogen in Singapore. City Energy is one of the largest carriers of hydrogen molecules in Singapore through the production of town gas, and by substituting grey hydrogen with green hydrogen as feedstock in town gas production, the company will be able to reduce carbon emissions while providing a stable and safe supply of town gas for the nation.

City Energy has also announced a collaboration to study the development of off-grid hydrogen fuel cell solutions, using hydrogen extracted from town gas. A successful demonstration of this proof of concept will enable the repurposing of the extensive town gas network for hydrogen distribution via hydrogen-enriched town gas, to support distributed power generation using fuel cells. This will fuel a network of hydrogen fuel cells around Singapore, thereby accelerating the deployment of green hydrogen.

City Energy was awarded the Singapore Prestige Brand Award and the Transformation Award in the Heritage Brands category. Having been voted Singapore's favourite water heater brand, the company also won the Superbrands award. City Energy was

Distributable Income ($'000)



	2021	2022
City Energy	30,528	**40,274**
Aramco Gas Pipelines Company	–	**26,533**
KMC	43,848	**43,115**
European Onshore Wind Platform	–	**4,875**
BKR2	–	**870**
Total	74,376	**115,667**

City Energy will continue to maintain high readiness and minimise disruptions to town gas supply through its robust business continuity framework.

Energy Transition

KMC was the first independent power project to enter the Singapore electricity market when the New Energy Market of Singapore was implemented in January 2003.

also the only homegrown firm ranked in the top 10 of Singapore's Best Employers list in 2022.

City Energy will continue to maintain high readiness and minimise disruptions to town gas supply through its robust business continuity framework. City Energy remains committed to uphold a strong safety culture and provide a safe work environment for its employees and contractors. In 2022, there were no reportable workplace safety incidents.

Keppel Merlimau Cogen Plant

Overview

Located on Jurong Island, the Keppel Merlimau Cogen Plant (KMC) is a 1,300 MW combined cycle gas turbine generation facility. Connected to Singapore's electricity transmission network, the plant provides electricity to the industrial sector in Singapore.

KMC was the first independent power project to enter the Singapore electricity market when the New Energy Market of Singapore was implemented in January 2003. The plant was constructed in two phases. Phase I has a generation capacity of 500 MW and commenced commercial operation in April 2007. The plant completed an expansion of another two power trains of 400 MW each in March and July 2013 respectively.

KMC has a 15-year Capacity Tolling Agreement (CTA) with Keppel Electric that commenced on 30 June 2015, with an option to extend for a further 10 years. Under the terms of the CTA, KMC receives capacity payment from Keppel Electric for making available the full capacity of the plant. The capacity payment is paid monthly regardless of the actual power production of the plant and does not vary with electricity demand. KMC has no tariff exposure to the Singapore wholesale electricity market and has no exposure to carbon taxes and fluctuations in fuel oil prices.

The CTA ensures long-term and predictable cash flows for KMC, while allowing most of KMC's operating costs to be passed through.

Operating Review

In 2022, the plant achieved a contractual availability of 97.8%, excluding planned maintenance and outage allowances. This contractual availability was lower compared to the 99.6% achieved in 2021 due to unplanned maintenance in July 2022.

KMC also achieved the pre-set carbon emission targets under the seven-year $700 million sustainability-linked loan in 2022, which allowed KIT to enjoy a lower interest rate for the KMC facility. The loan is linked to the carbon emissions intensity performance of KMC, which involves benchmarking KMC's carbon emissions intensity against the Grid Emission Factor index, as well as demonstrating continuous improvement in the plant's carbon emissions intensity.

In 2022, there were no reportable workplace safety incidents.

Aramco Gas Pipelines Company

Overview

Aramco Gas Pipelines Company holds a 20-year lease and leaseback agreement over the usage rights of Saudi Arabian Oil Company's (Aramco) gas pipelines network.

Following the completion of KIT's investment in an indirect minority and non-controlling stake in Aramco Gas Pipelines Company in February 2022, the Trust receives quarterly payments backed by a minimum volume commitment from Aramco.

Beyond income diversification for KIT, the investment supports the energy transition of the Saudi economy towards a more sustainable energy future.

Aramco retains the legal title and the sole operational control of the pipeline assets. Gas throughput volumes in the pipelines remained well above the minimum volume commitment in 2022.

European Onshore Wind Platform

Overview

The European Onshore Wind Platform comprises three operational onshore wind farms located in Lista, Norway, as well as Fäbodliden and Högaliden, Sweden, with a total power generation capacity of 258 MW.

The wind farms are operated by Fred. Olsen Renewables AS (FORAS), one of the largest renewables independent power producers in Northern Europe.

The investment provides KIT and its co-investors with a five-year exclusive right to FORAS' eligible pipeline projects in Sweden and the UK with a combined power generation capacity of around 1.2 GW. These pipeline projects are in various stages of development, of which 503 MW have obtained the requisite consents as at 31 December 2022.

The first drop down project is expected to be acquired in 2023.

In 2022, the portfolio achieved high availability and benefited strongly from high electricity prices.

Borkum Riffgrund 2

Overview

Borkum Riffgrund 2 is an operating offshore wind farm. Fully operational since 2019, the wind farm has an operating capacity of approximately 465 MW and is located 59 km off the coast of Lower Saxony in the North Sea, Germany, which is an area with high wind availability as reflected in the high average historical capacity factor of more than 40%.

The region is next to the Wadden Sea, an UNESCO World Heritage site, making it unlikely for new wind farms to be built, mitigating potential reduction in wind availability. The wind farm operates under the German EEG 2014 (Erneuerbare-Energien-Gesetz-German Renewable Energy Sources Act) market premium mechanism, which has an attractive Feed-in-Tariff and guaranteed floor price till 2038, providing strong cash flow visibility for the project.

The project also holds a 20-year power purchase agreement and a 20-year operations and maintenance agreement (OMA), until 2038, with Ørsted. The long-term OMA has a largely fixed operational cost base which provides significant cost certainty and cash flow visibility. As the 50% shareholder of BKR2, Ørsted will continue to operate BKR2 with a strong alignment of interest.

BKR2 has an operating capacity of approximately 465 MW and is located 59km off the coast of Lower Saxony in the North Sea, Germany.

Environmental Services

Essential services that protect human health and safeguard the environment.

- Senoko WTE Plant
- Keppel Seghers Tuas WTE Plant
- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant
- Eco Management Korea

Senoko WTE Plant and Keppel Seghers Tuas WTE Plant

Overview

The Senoko Waste-to-Energy (WTE) and Keppel Seghers Tuas WTE plants have a combined capacity to treat approximately 40% of Singapore's incinerable waste.

In diverting refuse away from landfills, incineration plants help mitigate greenhouse gas emissions as landfills release methane gas when organic waste decomposes. Modern incineration plants can also reduce the volume of refuse by as much as 90%, thus significantly extending the lifespan of landfill. WTE plants also produce green energy and reduce reliance on fossil fuels. Waste incineration is carried out at the plants 24 hours a day throughout the year.

The Senoko WTE Plant is Singapore's third waste incineration plant, and the only waste incineration plant located outside of Tuas to serve the eastern, northern and central parts of Singapore. It is equipped with six incinerator-boiler units with two condensing turbine-generators offering a power generation capacity of 2 x 28 MW.

The Keppel Seghers Tuas WTE Plant is Singapore's fifth waste incineration plant and the first to be built under the National Environment Agency of Singapore's (NEA) Public-Private Partnership initiative.
The plant incorporates Keppel Seghers' proprietary technologies such as the air-cooled grate and flue gas treatment system and is the first waste incineration plant in Singapore to showcase proprietary WTE technology from a local company.

The Senoko WTE and Keppel Seghers Tuas WTE Plants have long-term Incineration Services Agreements (ISA) with NEA for 15 years (from September 2009), and 25 years (from November 2009) respectively. The majority of their income is from fixed capacity payments, which delivers stable cash flows to the Trust.

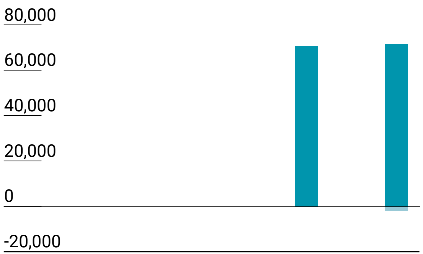
Operating Review
In 2022, the Senoko WTE and Keppel Seghers Tuas WTE plants met all the required Performance and Customer Service Standards under the ISAs.
In addition to full Fixed Capacity Payments from NEA for meeting their Contracted Incineration Capacity (CICs), the plants also received variable payment for refuse incineration service and incentives payment for electricity exported.

Both plants also met the requirements under their respective ISAs in 2022. The Senoko WTE Plant achieved a Time Availability Factor of 76.6% (for the 13th contract year ended 31 August 2022), fulfilling NEA's 72.5% threshold for KIT's fixed capacity payments. Similarly, the Keppel Seghers Tuas WTE Plant achieved a Time Availability Factor of 81.0% (for the 13th contract year ended 31 October 2022), exceeding the 79.4% threshold.

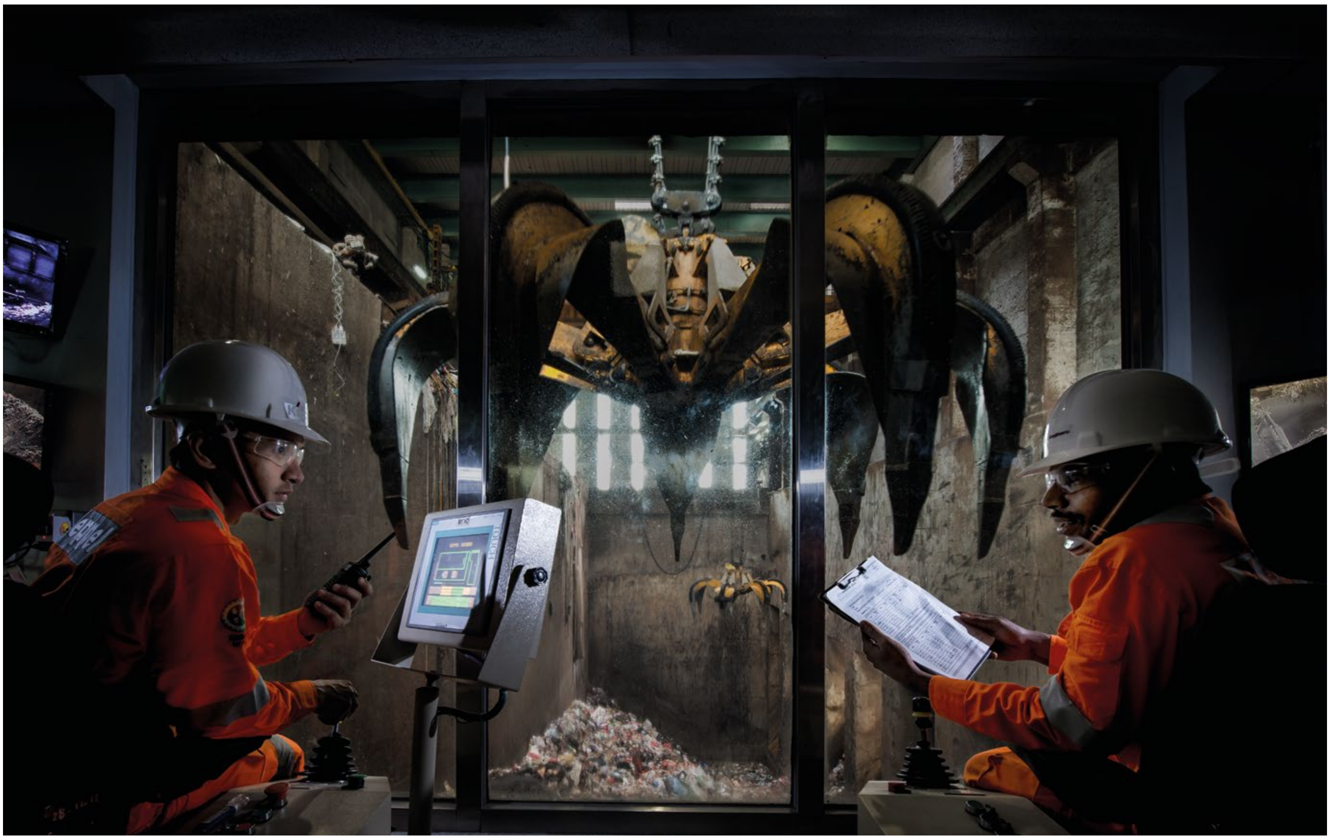
The Senoko WTE and Keppel Seghers Tuas WTE plants also met other obligations under the ISA, namely Average Total Organic Content of bottom ash, Turnaround Time of refuse trucks and electricity generation.

In 2022, there were no reportable workplace safety incidents at both WTE plants. Asset enhancement works have been completed at both plants to maintain safe working conditions and improve staff productivity.

Distributable Income ($'000)



	2021	2022
Singapore waste and water assets	71,331	**72,270**
Eco Management Korea	–	**(1,979)**
Total	71,331	**70,291**



The Senoko WTE and Keppel Seghers Tuas WTE plants have a combined capacity to treat approximately 40% of Singapore's incinerable waste.

Environmental Services

Keppel Seghers Ulu Pandan NEWater Plant

Overview

KIT, through the Ulu Pandan Trust, owns the Keppel Seghers Ulu Pandan NEWater Plant. The plant is one of the largest NEWater plants in Singapore. The Keppel Seghers Ulu Pandan NEWater Plant entered into a 20-year NEWater Agreement (NWA) with PUB, Singapore's National Water Agency, in March 2007, and is responsible for meeting the water demands of Singapore's industrial and commercial sectors.

Operating Review

The Keppel Seghers Ulu Pandan NEWater Plant received its full availability payment in 2022 as the warranted capacity was greater than or equal to 148,000 m^3 per day.

The plant also achieved 100% plant availability in 2022, while fulfilling other requirements under the NWA, namely the required storage level, quality specifications of NEWater and residual waste produced.

Ulu Pandan Trust's cash flows fluctuate with changes in power revenue received from PUB, which is regularly adjusted to historical changes in high-sulphur fuel oil, which does not always move in tandem with electricity price due to time lag. To mitigate the risk of cost matching, the Trustee-Manager has taken measures to fix the electricity price, ensuring stability in cash flows.

The plant features a solar photovoltaic system on its rooftops, which helps lower the carbon footprint of the plant and contributes to the national effort to reduce dependency on non-renewable sources of energy. In 2022, the plant generated close to 1.0 GWh of renewable energy, equivalent to the total energy consumption of approximately 250 four-room households in Singapore annually.

In 2022, there were no reportable workplace safety incidents.

SingSpring Desalination Plant

Overview

SingSpring Trust, which is 100% owned by KIT, owns the SingSpring Desalination Plant. This is Singapore's first large-scale seawater desalination plant, with a supply capacity of 136,380 m^3 of potable desalinated water per day, equivalent to the amount of water used by approximately 200,000 households daily.

The plant contributes to one of the Four National Taps in PUB's strategy to meet Singapore's water needs. The Four National Taps are local catchment water, imported water from Johor, NEWater and desalinated water. The plant continues to be an important facility that ensures sufficient

The Keppel Seghers Ulu Pandan NEWater Plant achieved 100% plant availability in 2022.

KIFM Directors and Management visited the Keppel Marina East Desalination Plant, prior to the signing of a non-binding term sheet with sponsor Keppel Infrastructure in June 2022 to acquire a 100% economic interest in the plant.

water resources for Singapore, especially during periods of low rainfall.

Located in Tuas, the plant utilises cost- and energy-efficient reverse osmosis technology. At the time of its completion, it was the largest membrane-based seawater desalination plant in the world with one of the largest reverse osmosis trains.

The plant also adopts an advanced energy recovery system, which improves its energy efficiency and cost effectiveness. The plant undergoes periodic reviews and audits by both internal and external parties to ensure its operations and maintenance (O&M) practices are in line with industry standards.

The plant ensures that both the quality and quantity of desalinated water it produces meet all the requirements under the Water Purchase Agreement (WPA) with PUB. It is committed to make available 100% of the plant's water capacity to PUB for the 20-year period of the WPA, which commenced in December 2005.

Operating Review
The SingSpring Desalination Plant achieved 100% availability in 2022.

KIT has increased its monitoring of operational performance at the plant to ensure that its obligations under the WPA are satisfactorily discharged.

In June 2022, KIT completed the acquisition of the remaining 30% stake in the SingSpring Desalination Plant and the plant takeover of the Operations & Maintenance team by Keppel, supporting KIT's distributable income accretion and enhancing the operational and business continuity of the asset.

The SingSpring Desalination Plant receives capacity payment from PUB for making available the full water capacity of the plant upon demand. The capacity payment is paid throughout the term of the 20-year WPA, regardless of whether the plant supplies any water to PUB and does not vary with the volume of water supplied. This ensures long-term and predictable cash flows for the plant.

The plant receives output payment from PUB for the variable costs in supplying water to PUB. The payment is pegged to the volume of water supplied.

The SingSpring Desalination Plant completed its annual Net Dependable Capacity Test in November 2022 and met all contractual requirements.

In 2022, there was one reportable workplace safety incident at SingSpring Desalination Plant.

Environmental Services

Eco Management Korea

Overview

EMK is a leading integrated waste management player in South Korea with diversified business operations across solid waste management, liquid waste management and landfill sectors.

EMK operates six WTE plants and five sludge drying facilities and has the third largest incineration capacity of 419 tonnes per day in the nation. EMK is also the largest waste oil refiner in South Korea with a capacity of 154 tonnes per day and manages and owns a landfill in Yeongnam, which has the fourth largest capacity in the nation with approximately 1.5 million m^3.

EMK currently operates in key industrial regions across South Korea, including Ansan, Hwaseong, Cheongju, Iksan, Gyeongju and Ulsan, forming a robust nationwide network. Its business is backed by blue-chip customers across the nation.

Operating Review

KIT completed the acquisition of a majority 52% interest in EMK on 20 October 2022. Post-acquisition integration works are ongoing. In 2022, EMK maintained full utilisation of its incineration business and the liquid business remained healthy.

EMK operates with high availability and utilisation rate in accordance with their business plan.

Following the commencement of the landfill operations in January 2022, EMK has secured major customers from the Ulsan area, which is the largest industrial complex in South Korea.

EMK operates six WTE plants and five sludge drying facilities and has the third largest incineration capacity in South Korea.

Distribution & Storage

Supporting the circular economy to drive economic growth.

- Ixom
- Philippine Coastal Storage & Pipeline Corporation

Ixom

Overview

Ixom is a leading water and industrial infrastructure business headquartered in Australia, with operations spanning ten countries including New Zealand and the Pacific, Southeast Asia and the United States.

With a heritage of more than 100 years, Ixom has been delivering products, services and solutions that keep communities safe. Ixom delivers specialised source water and wastewater treatment solutions critical for clean water supply. Ixom is also a supplier of essential chemical products, solutions and food ingredients.

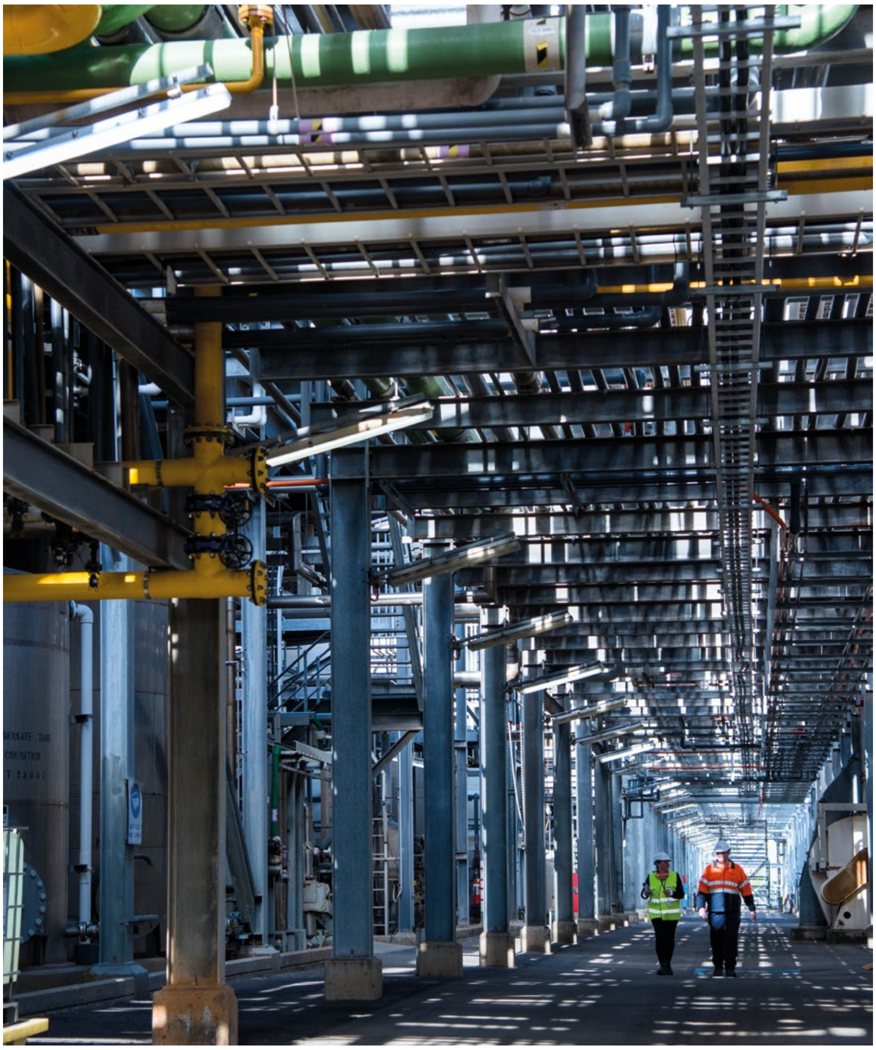
In Australia, Ixom is the sole manufacturer of liquefied chlorine, as well as the leading provider of manufactured caustic soda. The group also operates one of the largest bulk and packaged chemical distribution businesses in Australia and New Zealand. The chemicals manufactured and distributed by Ixom are fundamental components used in a range of industries including the water treatment, dairy, agriculture, mining and construction sectors.

Supported by over 1,000 employees globally, Ixom serves a wide range of industries including dairy, agriculture, viticulture, electricity, steel, food and beverage, pulp and paper, mining and construction, and water treatment.

Ixom plays a vital part in the lives of tens of millions of people every day. Most drinking water in Australia and New Zealand is treated with products that Ixom produces. In North America and the United Kingdom, Ixom uses its proprietary MIEX and specialist resins in treatment plants that supply safe drinking water to local communities and large cities. Ixom's wastewater treatment solutions also make household and industrial wastewater safe to discharge or recycle.

Ixom manufactures chemicals in one of its 36 manufacturing facilities and operates one of the largest bulk and packaged chemical distribution businesses in Australia and New Zealand. Its unmatched combination of hard-to-replicate infrastructure assets and distribution network in close proximity to key ports and customers provides a strong competitive advantage.

Distribution & Storage



Ixom delivered a strong set of performance in 2022 supported by its core manufacturing and distribution businesses, along with the successful acquisition of several businesses.

All of this is underpinned by Ixom's unique value proposition, the scale of its critical infrastructure and long-standing expertise in the management of dangerous goods in highly regulated markets, including competencies in shipping storage and transportation of bulk liquids and gases.

Operating Review
Ixom delivered another year of record performance in 2022, supported by its core manufacturing and distribution businesses.

During the year, Ixom continued to strengthen its market position through acquisitions that expanded its product offerings, as well as divestments to focus on its core capabilities.

In January 2022, Ixom completed the divestment of its Fiji business. In March 2022, Ixom expanded its presence in the building and construction sector with the acquisition of Bituminous Products, one of Australia's leading manufacturers and suppliers of bitumen-based and associated products for road surfacing and general industrial use. The Bituminous Products business complements Ixom's existing presence in this sector, expanding its range of products and bringing access to new customers.

Ixom also expanded its Life Sciences business with two acquisitions in the year. In May 2022, Ixom acquired Aromatic Ingredients in Australia, a Melbourne-based wholesaler, blender and contract manufacturer of essential oils. In October 2022, Ixom acquired Pure Ingredients, a leading distributor of organic and natural ingredients in New Zealand, bringing with it strong brand recognition and a highly experienced management team to grow Ixom's Life Sciences presence in New Zealand.

Ixom continues to manage and mitigate the effects of its supply chain and product curtailment by leveraging its extensive global supply chain and in-house logistics capabilities to ensure the prompt delivery and distribution of its products, enabling it to continue to meet the needs of its customers.

Ixom is committed to being a trusted supplier for its customers through excellence in quality and safety for all end users. Ixom's operations and businesses are certified by ISO 9001:2015 Quality Management System. Additionally, certifications in Food Safety System Certification (FSSC) 22000, Feed Additive and preMixture System (FAMI-QS), Verband der Automobilindustrie (VDA) and Therapeutic Goods Administration (TGA) are maintained to deliver trust and confidence in the markets where it operates.

Ixom continued to differentiate itself through its quality and reliability of supply with the establishment of a centralised Quality Management function, and the development of an automatic certificate generation process which sends certificates for analysis and compliance upon the customer's request.

In 2022, there were no major reportable workplace safety incidents at Ixom.

Philippine Coastal Storage & Pipeline Corporation

Overview

Philippine Coastal is the largest independent petroleum products import storage facility in the Philippines. Sited on a combined land area of approximately 160 hectares and comprising three tank farms, one marine terminal area and seven tank truck loading gantries, the business leases and operates a storage capacity of almost six million barrels.

Strategically located in Subic Bay, Philippine Coastal is well placed to capture demand in Metro Manila and North Luzon by road and Central Philippines by sea going barges, meeting more than half of the fuel product demand in the Philippines.

Subic Bay is easily accessible by major oil refiners and traders from North and Southeast Asia via medium range vessels. The jetty is located within Subic Bay and has deep draft levels that are conducive to facilitate berthing of a large variety of ships. Subic Bay is also naturally sheltered from typhoons, providing Philippine Coastal's customers with good year-round access.

Philippine Coastal also provides storage for blended fuels with bio-additives, including ethanol and coconut methyl ester, in line with the Philippine government's initiatives for clean fuels.

Operating Review

In 2022, operations at Philippine Coastal remained stable. Utilisation rate of available capacity improved to 90.5% as at end-December 2022, with the commencement of new contracts. This is an improvement from 72.1% as at end-December 2021 and 66.0% when it was acquired in January 2021.

All customers are on "take-or-pay" contracts, which significantly reduces Philippine Coastal's exposure to petroleum price and volume risks.

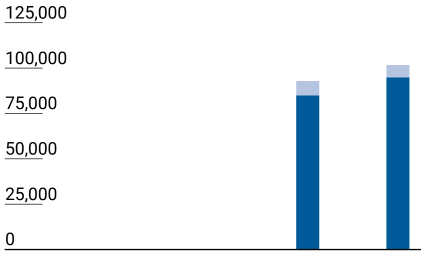
In 2022, Philippine Coastal converted several gas oil tanks to support the increase in storage demand for economical grade gasoline, including a new distribution pipeline for RON88 and improved blending facilities, contributing to the higher utilisation rate.

Despite the prolonged COVID-19 restrictions in the country, Philippine Coastal achieved 100% operating availability in 2022. Being the largest independent petroleum products storage facility in the country, Philippine Coastal expects fuel storage demand to improve as the Philippines economy recovers gradually from the pandemic.

All petroleum fuels stored at Philippine Coastal are checked and only received if they meet the minimum EURO 4 standards in accordance with internationally agreed sulphur emission targets.

In 2022, there were no reportable workplace safety incidents at Philippine Coastal.

Distributable Income ($'000)



	2021	2022
Ixom	85,678	**95,678**
Philippine Coastal	8,027	**6,932**
Total	93,705	**102,610**

Financial Review

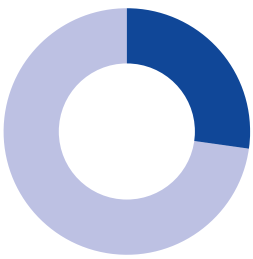
KIT delivered a strong set of financial performance in FY 2022 supported by portfolio growth and transformation.

In FY 2022, the Group reported revenue of $2,005.9 million, 27.4% higher compared to FY 2021, driven largely by record performance from Ixom, with strong contributions from its various segments, and over-recovery of fuel costs at City Energy.

KIT delivered Group Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $402.0 million, and Distributable Income of $222.5 million in FY 2022, which was 26.6% and 15.8% higher than FY 2021 respectively, due mainly to the strong performance from Ixom with strong margin contributions from its various segments, receipt of dividend distributions from its investment in Aramco Gas Pipelines Company (AGPC) in FY 2022 and over-recovery of fuel costs at City Energy as a result of the timing differences in the fuel price pass-through gas tariff mechanism, which is designed to ensure that KIT is not exposed to fuel price risk over time. City Energy has no material exposure to fuel price risk as fuel price is passed through to customers and the over and under recovery balances out over time.

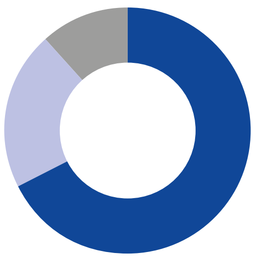
The Group recorded a profit attributable to Unitholders of the Trust of $0.9 million against a loss of $128.8 million in FY 2021, due mainly to the absence of loss recognised in FY 2021 on deconsolidation of Basslink following the voluntary administration on 12 November 2021, strong EBITDA performance from Ixom, City Energy and AGPC, and revaluation gain from AGPC investment, which is partially offset by acquisition and professional fees

Debt Repayment Profile (%)
as at 31 December 2022



< 1 yr	27.4
1–5 yrs	72.6
Total	**100.0**

Debt Breakdown by Currency (%)
as at 31 December 2022



S$	67.7
A$	20.9
KRW	11.4
Total	**100.0**

on new acquisitions, impairment provisions made on Philippine Coastal due to the higher weighted average cost of capital in the current rising interest rate environment and higher finance costs from the new loans taken up to fund acquisitions.

The Group recorded total assets and liabilities of $5,962.8 million and $4,055.6 million as at 31 December 2022, as compared to $4,500.8 million and $2,760.7 million in FY 2021.

The Group reported net current liabilities of $89.2 million as at 31 December 2022 as compared to net current asset of $802.1 million, due to the drawdown of $580 million in equity bridge loans maturing in 2H 2023 and deployment of cash to fund new acquisitions in FY 2022.

Total Unitholders' funds stood at $963.9 million as at 31 December 2022, 13.3% lower compared to 31 December 2021 due to distributions paid, translation losses, offset partially by positive hedging reserve movements and profit attributable to Unitholders of the Trust in FY 2022.

Net cash generated from operating activities of $244.6 million in FY 2022 was comparable to FY 2021.

Net cash used in investing activities of $1,583.7 million in FY 2022 relates mainly to the acquisition of AGPC, European Onshore Wind Platform, Eco Management Korea, Borkum Riffgrund 2, Ixom's bolt-on acquisitions and other capital expenditure.

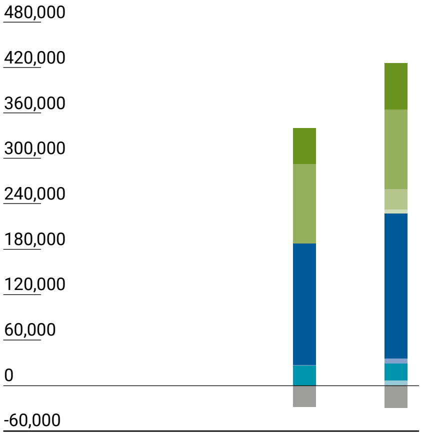
Net cash from financing activities of $1,059.9 million mainly relates to receipts from an Equity Bridge Loan, issuance of Series 004 notes to finance acquisitions and refinancing of borrowings from newly acquired assets offset by payment of distributions to Unitholders and perpetual securities holders, as well as the repayment of borrowings.

Distribution per Unit

3.82 cts

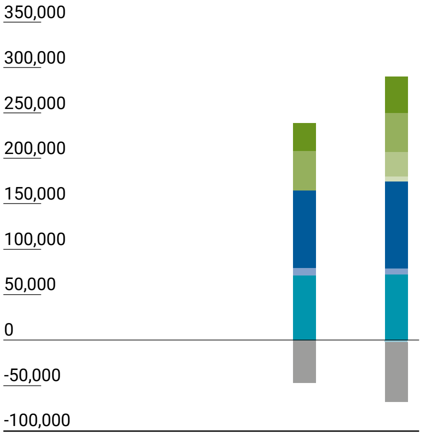
A 1.1% increase from 3.78 cents in FY 2021

Group EBITDA ($'000)



	2021[1]	2022[2]
Energy Transition		
City Energy	47,447	**61,578**
KMC	105,836	**105,402**
Aramco Gas Pipelines Company	–	**26,532**
European Onshore Wind Platform and BKR2[3]	–	**5,773**
Distribution & Storage		
Ixom	160,419	**191,430**
Philippine Coastal[3]	885	**6,663**
Environmental Services		
Waste and Water Assets	26,444	**22,490**
EMK	–	**6,775**
Trust and Corporate Entities		
Others[4]	(23,425)	**(24,628)**
Total	317,606	**402,015**

Distributable Income ($'000)



	2021	2022
Energy Transition		
City Energy	30,528	**40,274**
KMC[5]	43,848	**43,115**
Aramco Gas Pipelines Company	–	**26,533**
European Onshore Wind Platform and BKR2	–	**5,745**
Distribution & Storage		
Ixom	85,678	**95,678**
Philippine Coastal	8,027	**6,932**
Environmental Services		
Waste and Water Assets	71,331	**72,270**
EMK	–	**(1,979)**
Trust and Corporate Entities		
Others[4]	(47,202)	**(66,075)**
Total	192,210	**222,493**

1 Excludes loss on derecognition of Basslink following the voluntary administration (-$161.9 million), one-off acquisition related cost incurred and expenses related to a fair value review exercise undertaken by Ixom following its acquisitions of assets and businesses (-$6.5 million), impairment loss on Ixom's assets mainly in relation to the cessation of operations of a long-term customer (-$21.7 million). Group EBITDA would have been $127.5 million without the adjustments.

2 Excludes gain on Ixom's divestment of Fiji business ($0.5 million), one-off acquisition related cost incurred for new investments (-$58.8 million), impairment loss on the Lista onshore wind farm in Norway (-$7.7 million) and investment in Philippine Coastal (-$68.1 million), unrealised exchange gain ($0.4 million), and fair value gain on the investment in AGPC ($20.8 million). Group EBITDA would have been $289.1 million without the adjustments.

3 Share of net profit for Philippine Coastal, European Onshore Wind Platform and BKR2 are used to arrive at the Group EBITDA.

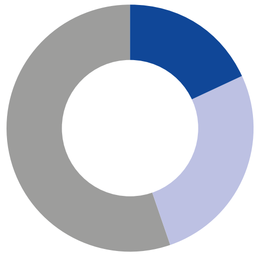
4 Comprises Trust expenses and distribution paid/payable to perpetual securities holders, Trustee-Manager fees and financing costs.

5 Based on KIT's 51% stake in KMC.

Investor Relations

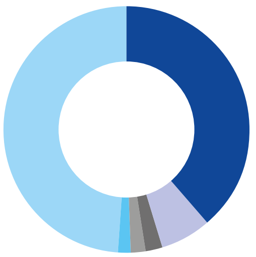
The Trustee-Manager focused on reiterating its transformational growth plans, the resiliency of the KIT portfolio, and its ESG ambitions.

Unitholding by Investor Type (%)
as at 8 February 2023



Sponsors and Related Parties	18.2
Institutional	26.7
Retail	55.1
Total	**100.0**

Unitholding by Geography[1] (%)
as at 8 February 2023



Singapore (SG)	38.8
North America	6.5
United Kingdom (UK)	2.4
Europe (ex-UK)	1.9
Asia (ex-SG)	1.7
Others[2]	48.7
Total	**100.0**

1 Excluding Sponsor and related parties.
2 Others comprise of the rest of the world, as well as unindentified holdings and holdings below the analysis threshold.

Articulating Transformational Growth

In 2022, the Trustee-Manager focused on reiterating its (i) transformational growth plans for the Trust, (ii) the resiliency of the KIT portfolio which is largely insulated from inflation, and (iii) its ESG ambitions, which drive KIT's strategy.

Despite macro-economic uncertainties, KIT delivered a strong set of results for FY 2022. The Trustee-Manager completed five new acquisitions in 2022, which grew the Trust's total asset base by 32.5% to $6.0 billion as at 31 December 2022, and launched KIT into the renewable energy market whilst expanding KIT's portfolio to more than 10 economies globally.

Enhancing Dialogue and Deepening Relationships

The Trustee-Manager continued to deepen engagements in Asia Pacific, Europe, and North America, engaging more than 360 investors and analysts through physical and virtual conferences, non-deal roadshows, in-person and virtual meetings. With borders re-opening during the year, the Trustee-Manager went on its first physical non-deal roadshow, since the onset of the pandemic, to meet prospective and existing investors in Kuala Lumpur, London and New York.

Leveraging technology, management continued to interact and communicate with the retail investment community through virtual platforms, including webinars and dialogue sessions. KIT also participated in the annual REITs Symposium in May 2022, where the Investor Relations (IR) team took investors' questions via a live chat session.

To keep the debt capital market abreast of KIT's developments, the Trustee-Manager participated in its first credit conference to share updates with fixed income investors.

In November 2022, KIT participated in the second Keppel Capital Corporate Day, which was held at the Keppel Marina East Desalination Plant (KMEDP). Beyond showcasing the Group's desalination technologies, the session also featured a panel discussion on "The Future and Beyond", a question and answer (Q&A) session, as well as investor site visits, including a plant tour of KMEDP.

Aligning Interests with Unitholders

During the year, the Trustee-Manager sought Unitholders' approval at an Extraordinary General Meeting (EGM) convened on 19 April 2022, to amend its Base Fee and Performance Fee. With Base Fee pegged to Distributable Income and Performance Fee pegged to distribution per Unit (DPU) growth, the new fee structure provides a better alignment of Trustee-Manager's interests with that of Unitholders.

Beyond the alignment of interests, the new fee structure also better reflects the required level of resources to effectively manage and operate KIT's diverse portfolio and enables the Trustee-Manager to scale up, grow its talent pool and accelerate KIT's growth plans.

To address Unitholders' queries on the revised fee structure, the Trustee-Manager held a virtual information session in conjunction with the Securities Investors Association (Singapore). For the benefit of Unitholders who were unable to join the session live, a transcript of the Q&A session was also shared on SGXNet and KIT's website.

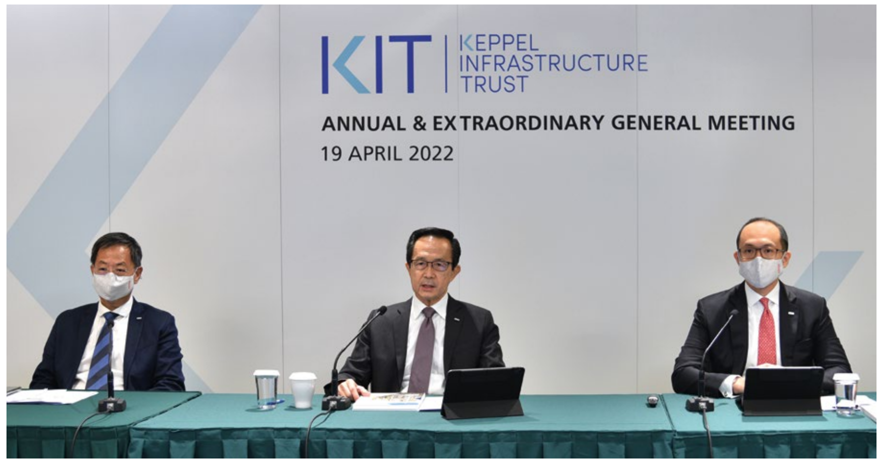
To create greater awareness of the Trust and its growth strategy, the Trustee-Manager also hosted a virtual luncheon with the online financial community where management shared KIT's growth strategy and business outlook, as well as addressed queries on the revised fee structure.

Maintaining Transparent and Timely Disclosures

The Trustee-Manager recognises the importance of prompt, transparent and effective communication with Unitholders and the investment community. KIT announces its financial results on a half-yearly basis and provides interim business updates for the first and third quarters of the financial year. To promote stakeholder engagement, the Trustee-Manager hosts a live audio webcast for the Trust's half- and full-year financial results, which commences with a presentation by management followed by a live Q&A session.

To ensure prompt, transparent and information alignment, KIT's website provides investors with up-to-date information on the Trust's performance and developments. Investors may also subscribe to email alerts to keep abreast of KIT's key developments. The Trustee-Manager is also active on social media, providing updates through its LinkedIn account at https://www.linkedin.com/company/keppel-infrastructure-trust-kit/.

In compliance with government advisories and regulations for COVID-19, KIT held its Annual General Meeting (AGM) and EGM on 19 April 2022 electronically. At the virtual meeting, the Trustee-Manager provided an update on KIT's performance, and addressed questions that Unitholders posted via the textbox Q&A function at the AGM and EGM, as well as questions submitted in advance. All AGM and EGM resolutions were polled electronically with an independent scrutineer appointed to count and validate the AGM and EGM votes. Results were announced at the meetings and minutes of the meeting, as well as the accompanying presentation materials, were published on SGXNet and KIT's website. All resolutions tabled at the AGM and EGM in April 2022 were passed.



KIT held its AGM and EGM on 19 April 2022 electronically.

KIT's IR activities are guided by the principles and guidelines set out in its IR policy, which is regularly reviewed and available on KIT's website. The policy articulates guiding principles that ensure the timely, transparent and accurate disclosures of material information.

As at end-2022, KIT is among the constituent stocks in the MSCI Singapore Small Cap and FTSE ST Mid Cap indices, which enhance KIT's liquidity and visibility among the investment community. KIT is currently covered by two equity research houses, namely Credit Suisse and DBS.

The Trustee-Manager will continue to foster relationships with the investment community through various platforms and expand its institutional base in tandem with KIT's growth.

The Trustee-Manager values feedback and welcomes questions from the investment community, through its communications channels, and the IR contact is available on the KIT corporate website and media releases.

Unitholder Enquiries
For more information, please contact the IR team at:

Telephone:
(65) 6803 1857

Email:
investor.relations@kepinfratrust.com

Website:
www.kepinfratrust.com

Investor Relations Calendar

Financial Year Ended 31 December 2022

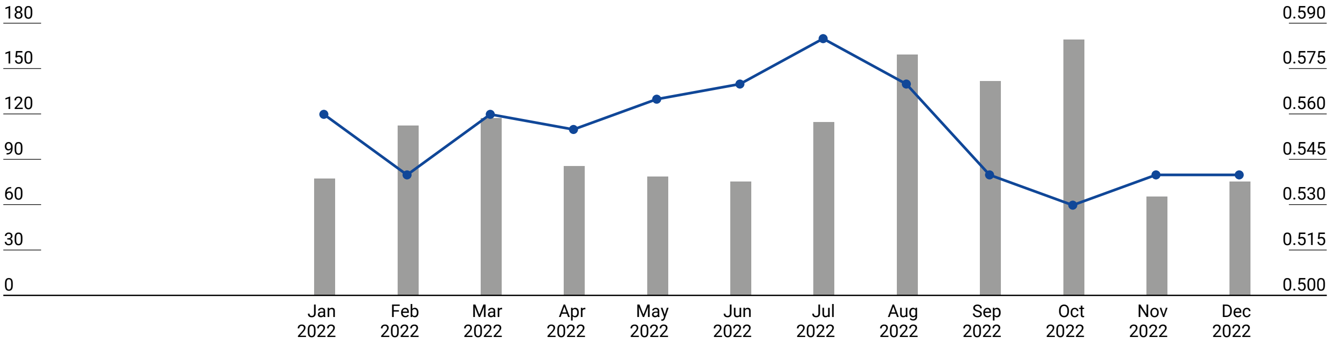
Q1	Q2	Q3	Q4
FY 2021 results announcement and webcast	1Q 2022 operational updates and analysts' teleconference	1H 2022 results announcement and webcast	3Q 2022 operational updates and analysts' teleconference
FY 2021 post-results group investor meeting hosted by Credit Suisse	Post 1Q 2022 updates group investor meeting hosted by Goldman Sachs	1H 2022 post-results group investor meeting hosted by DBS	Post 3Q 2022 updates group investor lunch hosted by Morgan Stanley
Nomura ASEAN Virtual Conference 2022	Virtual lunch with online financial community	SGX-DBS ESG Investment Corporate Day	Non-deal roadshow in New York
CITIC CLSA ASEAN Forum	REITs Symposium	Citi-SGX-REITAS REITs & Sponsors Forum	Keppel Capital Corporate Day
	Maybank IBG Invest ASEAN 2022	Non-deal roadshow in London	HSBC Credit Tour
	UBS APAC Conference		Non-deal roadshow in Kuala Lumpur
	Morgan Stanley ASEAN Conference		Phillip Securities Webinar
	Virtual non-deal roadshow with Thai investors		
	Reverse non-deal roadshow from Korean investors in Singapore		

Unit Price Performance

Over 1.3 billion of Keppel Infrastructure Trust's Units were traded in FY 2022, with a daily average trading volume of 5.1 million Units.

KIT declared a total distribution per Unit (DPU) of 3.82 cents in FY 2022, a 1.1% increase from FY 2021. The FY 2022 DPU translates to a distribution yield of 7.1%, based on KIT's closing price of $0.540 as at 31 December 2022. Total Unitholder return was 6.0% in 2022.

Monthly Trading Performance



	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Monthly trading volume (million Units)	77.6	112.6	117.4	85.8	78.6	75.3	114.6	159.3	141.7	169.4	65.4	75.4
Month-end closing Unit price ($)	0.560	0.540	0.560	0.555	0.565	0.570	0.585	0.570	0.540	0.530	0.540	0.540

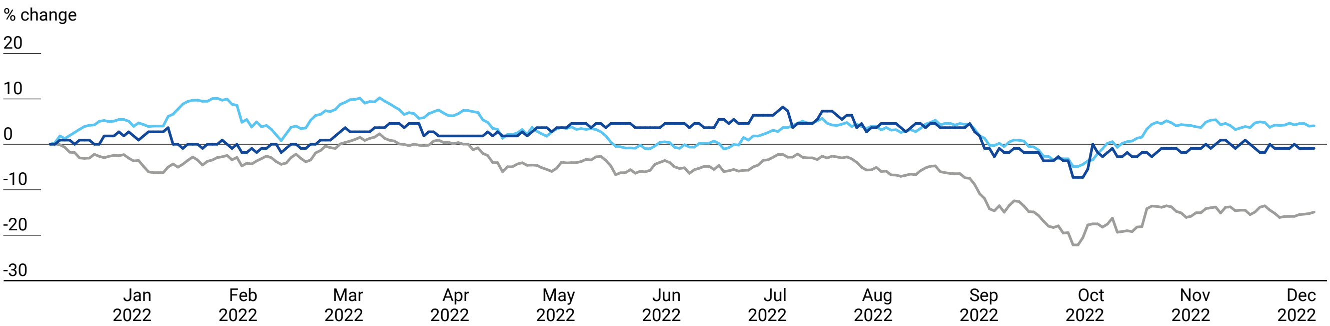
Unit Price Performance ($ per Unit)

	2022	2021
Highest closing price	**0.590**	0.560
Lowest closing price	**0.505**	0.525
Average closing price	**0.554**	0.545
Closing price on last trading day of the year	**0.540**	0.545
Trading volume (million Units)	**1,273.3**	1,531.7

Comparative Yield (%)
as at 31 December 2022

	Yield
KIT	7.1
FTSE ST REIT Index	5.0
Straits Times Index (STI)	4.1
CPF Ordinary Account	2.5
10-year SG Govt bond	3.1
5-year SG Govt bond	2.8

Unit Price Performance Against Indices (%)
for the period from 1 January 2022 to 31 December 2022



KIT	(0.9)
FTSE ST REIT Index	(15.0)
STI	4.1

Sources: Bloomberg, Monetary Authority of Singapore and Central Provident Fund.

Significant Events

KIT completed its investment in Aramco Gas Pipelines Company in Q1 2022.

Q1 2022

Refreshed growth strategy to pursue new opportunities arising from the decarbonisation and long-term growth trends in digitalisation.

Established a dedicated Board Environmental, Social and Governance (ESG) Committee that oversees KIT's ESG strategy and sustainability initiatives.

Ixom acquired Bituminous Products, one of Australia's leading manufacturers and suppliers of bitumen-based and associated products for road surfacing and industrial use.

Completed investment in Aramco Gas Pipelines Company, supporting the transition of the Saudi economy towards a more sustainable future.

Q2 2022

Revised management fee structure to support growth and promote alignment of interests with Unitholders.

Ixom acquired Aromatic Ingredients, a Melbourne-based wholesaler, blender and contract manufacturer of essential oils.

City Energy launched its electric vehicle charging services.

Issued $250 million notes as part of the $2 billion Multicurrency Debt Issuance Programme.

Signed a Memorandum of Understanding (MOU) with Jinko Power to explore solar farm and energy storage investment opportunities.

Completed the acquisition of the remaining 30% stake in the SingSpring Desalination Plant.

Entered into a non-binding term sheet with sponsor Keppel Infrastructure to acquire a 50% stake in Keppel Marina East Desalination Plant (KMEDP)[1], Singapore's first and only large-scale dual mode plant.

Q3 2022

Invested 13.4% interest in the European Onshore Wind Platform comprising three wind farms with 258 MW capacity across Sweden and Norway, with opportunity to acquire another 1.2GW[2] of pipeline across Sweden and the United Kingdom.

Q4 2022

Acquired a majority 52% interest in Eco Management Korea Holdings, a leading integrated waste management platform in South Korea.

Signed MOU with Keppel Infrastructure to explore low carbon water solutions at the SingSpring Desalination Plant and the Ulu Pandan NEWater Plant.

Invested 20.5% interest in Borkum Riffgrund 2 (BKR2), a 465 MW operating offshore wind farm in the North Sea, off the coast of Germany.

Ixom expanded its Life Science business with the acquisition of Pure Ingredients, a leading distributor of organic and natural ingredients in New Zealand.

1 Proposed acquisition of 50% stake in Marina East Water O&M Pte. Ltd., owner of KMEDP. Transaction structure will result in KIT holding a 100% economic interest in KMEDP.
2 As of 31December 2022. Fred. Olsen Renewables AS (FORAS) is committed to inject and investors are committed to invest in 49% of eligible FORAS pipeline projects, up to the Wind Fund's capital commitment of €480 million or within five years from the entry into the Subscription Agreement.

Sustainability Report

Sustainability Framework

We place sustainability at the heart of our strategy. Guided by our three strategic pillars, we are committed to generating stable and sustainable returns for our Unitholders.

Environmental Stewardship

In line with Keppel's Vision 2030, we will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.

For more information, go to pages 50 to 60

Responsible Business

The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective Board, good corporate governance and prudent risk management.

For more information, go to pages 61 to 64

People and Community

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in training and developing our people to help them reach their full potential, as well as uplifting communities wherever we operate.

For more information, go to pages 65 to 72

Sustainability Highlights

Environmental Stewardship

Emissions Intensity

20% reduction

Carbon emissions intensity decreased 21% YoY to 8,585 tCO_2e/$m. This is a 20% reduction from 2019's levels due to the addition of carbon efficient assets and stronger financial performance.

Renewables

10%

The Trustee-Manager grew its exposure to renewable energy from 0% to 10% of AUM with investments in a European Onshore Wind Platform and a German Offshore Wind Farm.

Responsible Business

Governance

Established BEC

Established dedicated Board ESG Committee (BEC) in January 2022 to further our commitment to sustainability.

Operational Excellence

0 breaches

There were no physical breaches affecting the operations of KIT's businesses and assets, and no complaints received concerning breaches of customer privacy, nor any leaks, thefts, or losses of customer data identified in 2022.

People and Community

Training and Development

23.7 hrs

The Trustee-Manager achieved an average of 23.7 training hours per employee in 2022, up from 9.2 hours in 2021.

Volunteerism

>1,000 hrs

The Trustee-Manager, together with Keppel Capital, committed more than 1,000 hours of community service in 2022, up from approximately 630 hours in 2021.

Letter to Stakeholders

FY 2022 was an important year in advancing our sustainability agenda. KIT reshaped its strategy and portfolio to ensure it can capitalise on and contribute to the global transition to a low-carbon economy.

Dear Stakeholders,

I am pleased to present Keppel Infrastructure Trust's (KIT) Sustainability Report for the financial year from 1 January to 31 December 2022. As we publish this report, the world is facing an increasingly uncertain economic outlook from continued tensions in geopolitics, and energy instability. Amidst these ongoing challenges, KIT continues to strengthen our resolve and commitment to pursue sustainable growth by focusing on environmental stewardship, responsible business, and people and community.

FY 2022 was an important year in advancing our sustainability agenda. KIT reshaped its strategy and portfolio to ensure it can capitalise on and contribute to the global transition to a low-carbon economy. In April, the Trust reorganised its portfolio into three key business segments: Energy Transition, Environmental Services, and Distribution and Storage. With this strategic reorientation, we made our first foray into the renewables market with the maiden acquisition of wind farms in Europe. Acknowledging the importance of managing environmental, social and governance (ESG) issues for building the resilience of the business, we also established a dedicated Board ESG Committee (BEC) at the start of the year to further our leadership commitment to sustainability.

We have outlined in this report our performance on our material ESG factors as well as our approach and commitment to manage these factors to create long-term value for stakeholders.

Strengthening Our Focus on Climate Action

As part of our commitment to climate action, we had set a target of 30% reduction of carbon emissions intensity by 2030 based on 2019 levels, as well as a target to increase portfolio exposure to renewable energy by up to 25% of Assets Under Management (AUM) by 2030.

During the year, we made significant progress and reduced our carbon emissions intensity by approximately 20% from 2019 levels, bringing us closer to our target of 30% reduction by 2030. To optimise energy consumption and reduce GHG emissions across our portfolio, we deployed energy-efficient equipment and technologies while actively monitoring energy consumption at KIT's assets. Initiatives include the installation of energy-efficient lighting at KIT's waste-to-energy (WTE) plants, the utilisation of energy saving compressors and high-efficiency turbines at Keppel Merlimau Cogen Plant (KMC).

We continued to generate and consume renewable energy from solar photovoltaic (PV) systems at our assets. Besides existing solar PV panels installed at KMC and the Keppel Seghers Ulu Pandan NEWater Plant (UPNP), KIT has also completed solar panel installations at City Energy and is exploring the same at other KIT assets.

We also increased our portfolio exposure to renewables to 10% of AUM with the completion of strategic acquisitions aligned with our carbon strategy. The acquisitions include a European onshore wind platform consisting of three wind farms across Norway and Sweden, a German offshore wind farm, as well as a leading integrated waste management platform in South Korea.

For this report, we implemented the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. KIT supports the TCFD as a useful framework to increase transparency on climate-related risks and opportunities, as well as to support better decision-making, disclosures and performance to build the resilience of KIT's portfolio and operations against climate change impact. To this end, we conducted a detailed scenario analysis in 2022, to evaluate and understand the potential impact of climate-related risks and opportunities facing KIT's portfolio, as well as build on earlier TCFD disclosures on the four key pillars to describe in further detail our approach to climate change adaptation. We have also established our full Scope 3 inventory for relevant categories in this report.

Supporting Our People and Communities

The Trustee-Manager remains committed to building a talented and engaged workforce to drive the long-term growth and resiliency of the business. We embarked on a Talent Mapping exercise during the year to assess our current capabilities and to identify future capabilities needed to drive and execute our long-term strategy. Development, redeployment and recruitment decisions were made with the insights gathered from the exercise.

To help employees build capabilities, they were encouraged to attend talks related to digitalisation and sustainability during the Keppel Capital Learning Festival held in 2022. Employees were also encouraged to attend the Global Career Festival to upskill themselves and take charge of their professional development. Average training hours exceeded pre-pandemic levels at 23.7 hours per employee.

The company also rolled out flexible working arrangements to support alternative work arrangements while fostering team camaraderie and open collaboration. In-person employee engagement activities such as team bonding activities, tea sessions with senior management, as well as townhalls also resumed. In August, employees went for their first overseas off-site since the onset of the pandemic.

The Trustee-Manager also encourages its employees to make a positive impact in the community and, together with Keppel Capital, we dedicated more than 1,000 hours to support community outreach activities during the year, exceeding the 630 hours in 2021. In 2022, KIFM and KIT contributed approximately $168,000 in donations to support various philanthropic initiatives and community needs.

Stewarding Responsible Business

We maintain a responsible approach to managing our portfolio, which has been integral to our ability to ensure economic sustainability and deliver long-term value to our stakeholders.

We continue to uphold high standards of corporate governance, ethics and integrity, and fulfill our fiduciary duties in managing assets of national importance. We have a zero-tolerance approach to corruption, bribery and fraud, and ensure that strong corporate governance is upheld through robust policies and training. Our portfolio of critical infrastructure businesses and assets continued to operate reliably to provide essential services without major operational or service disruption, made possible by the team's efforts to ensure high standards of asset quality, safety and security. We do not condone any acts of discrimination and are committed to promoting diversity and inclusion. At least 30% of KIT's Board is female and the Trustee-Manager will strive to promote diversity at all levels in the workplace.

We will continue to embed responsible business practices throughout the company to preserve the trust that we have built over the years with our investors, partners and communities, as well as to promote the right values and culture among our employees.

The Year Ahead

Looking to the year ahead, while we remain cautious of potential headwinds in the evolving macro environment, we will continue to prioritise executing on our growth strategy to build resilience and take advantage of new opportunities, and further progress on our sustainability objectives.

In closing, I would like to thank all our valued stakeholders for your support and contributions as we continue to chart our growth forward in a sustainable and prudent manner.

Yours sincerely,

Jopy Chiang
Chief Executive Officer
6 March 2023

About This Report

KIT's portfolio of critical infrastructure businesses and assets serves a large and diversified customer base across Asia Pacific, Europe and the Middle East.

Keppel Infrastructure Trust (KIT) owns a portfolio of businesses and assets that supports energy transition, safeguards the environment and enhances water security, as well as contributes to driving economic growth globally.

KIT's portfolio of critical infrastructure businesses and assets includes town gas production, gas pipelines, wind farms, waste treatment and water purification, manufacturing and distribution of essential chemicals, as well as the storage of petroleum products. It serves a large and diversified customer base comprising government agencies, multinational corporations, commercial & industrial enterprises and retail consumers across Asia Pacific, Europe and the Middle East.

As KIT operates in business landscapes that value resource efficiency and environmental, social and governance (ESG) excellence, sustainability management is imperative to the continued success of the business and its ability to create value.

Reporting Period and Scope

This report details the business activities and operations of the KIT portfolio for the period from 1 January 2022 to 31 December 2022 (FY 2022) and reflects KIT's equity interests (indicated in parentheses) in the respective entities. They include:

	Business/Asset
Energy Transition	City Energy **(100%)**
	Keppel Merlimau Cogen Plant (KMC) **(51%)**
	Aramco Gas Pipelines Company (AGPC)[1]
	European Onshore Wind Farm **(13.4%)**
	Borkum Riffgrund 2 (BKR2) **(20.5%)**[2]
Environmental Services	Senoko Waste-to-Energy (WTE) Plant **(100%)**
	Keppel Seghers Tuas WTE Plant (KSTP) **(100%)**
	Keppel Seghers Ulu Pandan NEWater Plant (UPNP) **(100%)**
	SingSpring Desalination Plant (SSDP) **(100%)**
	Eco Management Korea Holdings (EMK) **(52%)**[2]
Distribution and Storage	Ixom **(100%)**
	Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal) **(50%)**

This sustainability report outlines KIT's sustainability strategy and describes the Trustee-Manager's approach to managing material ESG factors.

In 2022, as part of the Keppel Group, the Trustee-Manager initiated an internal review of its sustainability reporting process with advisory assistance from an external consultant. Going forward, the Trustee-Manager will perform an internal review conducted by the internal audit function, with the aim to strengthen its sustainability reporting process, procedures and controls. This report has not gone through external verification, and the Trustee-Manager will review the need for external assurance as it continues to enhance its sustainability reporting practices.

Global Reporting Initiative Standards

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards for the period from 1 January to 31 December 2022. The Reporting Principles from the latest updated GRI Standards have been applied to ensure high-quality and proper presentation of the reported information: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. Please refer to the GRI Content Index on pages 73 to 76 for the full list of disclosures.

Contact

The Trustee-Manager welcomes feedback that will enhance its sustainability efforts. Please share your feedback with us at investor.relations@kepinfratrust.com.

[1] Minority and non-controlling interest, as part of a global consortium to acquire a 49% stake in the asset. AGPC's performance data is excluded from this report due to unavailability of segmental information.
[2] The acquisitions of BKR2 and EMK were completed in 4Q 2022. Their performance data were excluded from this report and will be included in the next sustainability report.

Approach to Sustainability

Board Statement

"As part of its strategic oversight, the Board has reviewed, approved and considered the material ESG factors in KIT's business and strategy formulation. The Board will continue to review and monitor the management and performance of these ESG factors periodically, with support from management and feedback from key stakeholders."

Sustainability Framework and Policies

Sustainability management is at the core of the Trustee-Manager's strategy formulation and business decisions. Its approach to sustainability is guided by the three thrusts of Environmental Stewardship, Responsible Business, and People and Community. The Trustee-Manager is committed to minimising its environmental impact, upholding strong corporate governance, and creating positive value for all its stakeholders.

Policies guiding the Trustee-Manager's commitment toward responsible business conduct include the Anti-Bribery Policy, Whistle-Blower Policy, Insider Trading Policy, Competition Law Compliance Manual, as well as Health, Safety and Environmental Policy.

Guided by the KIT Corporate Statement on Human Rights, the Trustee-Manager is committed to uphold and respect the fundamental principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Trustee-Manager's approach to human rights is also informed and guided by the United Nations Guiding Principles on Business and Human Rights. Unethical labour practices, such as child labour, forced labour, slavery and human trafficking in any of the Trust's operations are not tolerated, and the Trustee-Manager supports the elimination of such exploitative labour. This approach also extends to the management of the Trust's supply chain. The Keppel Group Supplier Code of Conduct spells out the Group's expectations of suppliers with regard to ethical business conduct and human rights. The human rights performance of business partners is considered, and suppliers are required to acknowledge and abide by the Keppel Group Supplier Code of Conduct and are subject to audits when required.

These policy commitments are also embedded in the Employee Code of Conduct, which apply to all employees of the Group and its subsidiary companies. These policies are communicated and reinforced to all employees on an annual basis through platforms such as online training courses and declarations of adherence to the Keppel Group policies.

Keppel Group policies are reviewed and approved by the Keppel Group Board, Board Committees or Senior Management in charge of the relevant policies where applicable. KIT policies are approved by the KIT Board or CEO. They are periodically reviewed to ensure they are up-to-date and relevant, and are also publicly available on the sustainability pages of the KIT website.

Sustainability Committee Structure

Board of Directors

Board ESG Committee

Kunnasagaran Chinniah
Chairman

Chong Suk Shien
Member

Adrian Chan
Member

Sustainability Working Committee

- Asset Management
- Finance
- Human Resources
- Investment
- Investor Relations and Sustainability
- Legal
- Risk and Compliance

Sustainability Governance

The Trustee-Manager established a dedicated Board ESG Committee (BEC) in January 2022 to further its leadership commitment to sustainability. The role of the BEC includes providing oversight of KIT's ESG strategy, policies and initiatives, as well as reviewing and monitoring their effectiveness to drive long-term value creation. This includes the approval and review of performance and progress against targets on material ESG factors.

The BEC comprises three independent directors and convenes meetings at least quarterly to discuss KIT's sustainability plans and review its performance.

The BEC is supported by a Sustainability Working Committee that implements the Trustee-Manager's ESG strategy and initiatives.

Approach to Sustainability

Comprising the Asset Management, Finance, Human Resources, Investment, Investor Relations and Sustainability, Legal, and Risk and Compliance departments, the Sustainability Working Committee is also responsible for monitoring KIT's performance against its material ESG factors, which are reviewed periodically, with progress updated to the BEC at its quarterly meetings.

Materiality Assessment

A materiality assessment helps the Trustee-Manager understand and prioritise the significant environmental, social, economic and governance factors that affect KIT's businesses and conversely, those that can be significantly impacted by the Trust's activities.

In 2021, the Trustee-Manager worked with an external sustainability consultant to conduct a materiality assessment, which guided its sustainability strategy and management approach. This serves to ensure that the Trustee-Manager focuses its efforts to stay relevant in today's macro environment and changing business landscape.

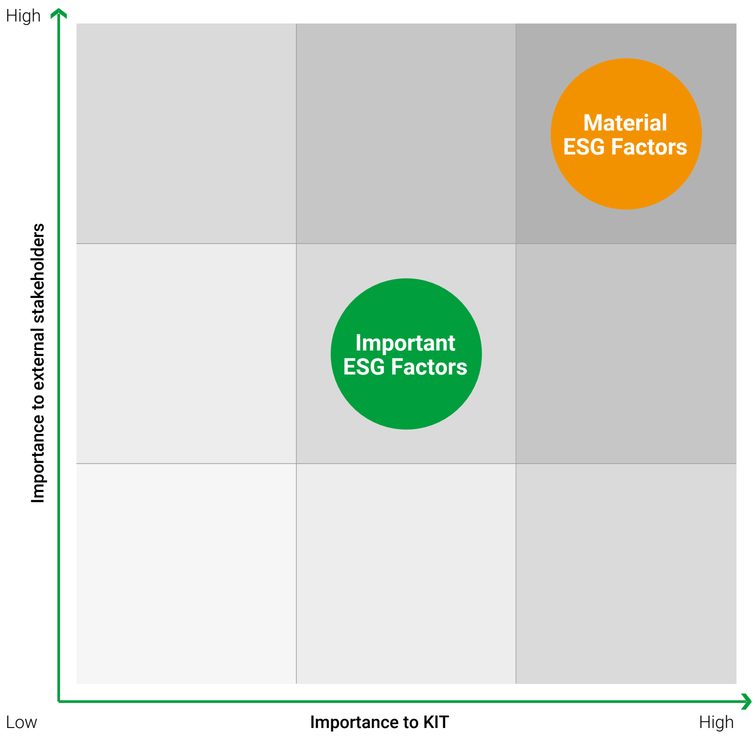
The materiality assessment was conducted based on a systematic 3-stage process, with in-depth engagement of internal and external stakeholders including Board members, employees of the Trustee-Manager, investors, customers, suppliers and business partners. The final list of material ESG factors has been reviewed and approved by the Board.

The prioritised list of ESG factors is presented in the chart below, categorised by material and important ESG factors which represent their level of materiality as determined through the assessment process. The material factors are covered within this report to the extent that it reflects their relative priority.

In 2022, the Trustee-Manager reviewed its material ESG factors and determined that the ESG factors identified in the previous year remain relevant. The Trustee-Manager will continue to review these factors regularly, to stay on top of emerging trends, and adjust its strategies where appropriate to ensure business sustainability.

Materiality Assessment Process

Understand Context & Identify Issues	Stakeholder Engagement	Analysis & Validation
• Conducted desk research, benchmarking and internal document review to identify relevant industry trends and sustainability issues. • Reviewed current list of ESG factors against this context and developed an updated shortlist of ESG factors to be prioritised.	• Launched an online survey with internal and external stakeholders to prioritise the shortlist of identified ESG factors. • Conducted interviews with investors to understand their perspectives on the sustainability context of the industry and their priorities.	• Analysed quantitative and qualitative findings to prioritise material ESG factors. • List of material ESG factors reviewed and validated by management team. • Final list of material ESG factors reviewed and approved by the Board.



Material ESG Factors

High importance to KIT and its key stakeholders, and considered most material and of top priority. These form the focus of its sustainability strategy and reporting, for which it aims to disclose goals, targets and performance.

- Asset Quality and Safety
- Climate Change Adaptation
- Corporate Governance
- Cybersecurity and Data Privacy
- Economic Sustainability
- Emissions
- Employee Health and Wellbeing
- Energy
- Environmental Protection
- Ethics and Integrity
- Human Capital Management

Important ESG Factors

Moderate to high importance to KIT and its key stakeholders. These are actively monitored and managed, and will be included in external reporting as relevant, based on the sustainability context and stakeholder interest.

- Community Development and Engagement
- Diversity and Inclusion
- Physical Security of Assets
- Sustainable Supply Chain Management
- Waste Management
- Water

* The ESG factors within each tier are in alphabetical order.

ESG Targets and Commitments

The Trustee-Manager has set out clear targets to drive performance and manage its material ESG factors, with progress closely monitored and updated to the BEC quarterly. This section summarises KIT's targets and commitments, alongside the Trust's performance and progress in FY 2022.

Environmental Stewardship

Material ESG Factor	Target/Commitment	Performance and Progress in 2022
Climate Change Adaptation	Commit to implementing the TCFD Recommendations.	The Trustee-Manager developed a roadmap to progressively align with the TCFD recommendations over two years. Progress was made in 2022 through a detailed scenario analysis, to evaluate and understand the potential financial impacts of climate-related risks and opportunities. **Read more on the TCFD report on pages 53 to 58.**
Emissions	Achieve 30% carbon emissions intensity reduction by 2030 based on 2019 levels, with a commitment to work towards setting an absolute emissions reduction target in the longer term.	Carbon emissions intensity decreased by 20% relative to 2019 levels with the addition of carbon efficient assets and stronger financial performance.
Energy	Increase exposure to renewable energy by up to 25% of AUM by 2030.	The Trustee-Manager grew its exposure to renewables from 0% to 10% of AUM with the addition of wind farm assets across Europe.
Environmental Protection	Maintain zero incidents of non-compliance with environmental laws and regulations.	There were zero incidents of non-compliance with environmental laws and regulations.
Waste Management	Divert at least 90% of waste from landfills annually. Recover at least 70% of scrap metal from bottom ash annually.	KIT's WTE plants have diverted 87% (excluding waiver period) of waste from landfill. The recovery rate for scrap metal from bottom ash was 72%.
Water	Maintain zero incidents of trade effluent discharge leading to regulatory actions.	There were zero incidents of trade effluent discharge leading to regulatory actions .

Responsible Business

Material ESG Factor	Target/Commitment	Performance and Progress in 2022
Asset Quality and Safety	Fulfil contractual obligations and minimise operational disruptions due to equipment or facility problems.	The Trustee-Manager fulfilled all contractual obligations, with no major disruption to operations due to equipment or facility problems.
Corporate Governance	Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders.	The Trustee-Manager continued to uphold strong corporate governance and robust risk management practices.
Cybersecurity and Data Privacy	Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure to minimise cyber attack incidents.	There were no complaints received concerning breaches of customer privacy, nor any leaks, thefts, or losses of customer data identified. A series of cybersecurity training was conducted for all employees to raise awareness.
Economic Sustainability	Build a resilient portfolio of assets and businesses that delivers long-term sustainable growth and Unitholder value.	KIT continued to deliver growth in Distributable Income and Distributions per Unit in FY 2022. **Read more on financial performance on pages 32 to 33.**
Ethics and Integrity	Maintain high standards of ethical business conduct and compliance best practices, with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations.	There were zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations.
Physical Security of Assets	To achieve zero physical security breaches affecting plant operations.	There were no physical security breaches affecting the operations of KIT's businesses and assets.
Sustainable Supply Chain Management	Ensure that all major suppliers (providing products or services valued at $200,000 or more in a calendar year) adopt responsible business practices.	All major suppliers providing products or services valued at $200,000 or more in a calendar have signed the Keppel Group Supplier Code of Conduct.

People and Community

Material ESG Factor	Target/Commitment	Performance and Progress in 2022
Community Development and Engagement	Engage with local communities and contribute to Keppel Capital's target of >500 hours of staff volunteerism in 2022.	The Trustee-Manager, together with Keppel Capital, dedicated more than 1,000 hours to support community outreach activities.
Diversity and Inclusion	Maintain at least 30% of female directors on the Board.	33.3% of directors on the Board are female.
Employee Health and Wellbeing	Maintain zero workplace fatalities.	There were zero workplace fatalities.
Human Capital Management	Achieve at least 20 hours of training hours per employee in 2022. Achieve at least 75% in employee engagement score in 2022.	Achieved an average of 23.7 hours of training per employee, up from 9.2 hours in 2021. Employee engagement score in 2022 remained above 75%.

Approach to Sustainability

Supporting the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) provide a global platform to address the most pressing challenges facing the world today. The Trustee-Manager is committed to advancing sustainable development by focusing on the SDGs that it can contribute most meaningfully to, and where it has the greatest opportunities to partner other stakeholders to build a more sustainable future.

In support of the United Nations' 2030 Agenda for Sustainable Development, the Trustee-Manager has incorporated 10 SDGs as a supporting framework to guide its sustainability strategy in this report, up from nine SDGs in 2021. These SDGs also represent the greatest opportunities to partner with other stakeholders and work together on sustainable development in support of SDG 17.

SDG	Relevant ESG Factors	Activities and Initiatives Contributing to SDG
3 GOOD HEALTH AND WELL-BEING	**Employee Health and Wellbeing**	• Ensure adherence to industry best practices and compliance with all relevant regulations to provide a safe work environment for all employees. • Adopt the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities. The Trustee-Manager continued to maintain zero fatalities across the KIT portfolio in 2022. • Implement initiatives to support the physical and mental wellbeing of employees. **Read more on pages 68 to 70.**
	Asset Quality and Safety	• Ensure consistent reliability and quality of the Trust's assets and services, which provide essential services such as energy, water and town gas, to safeguard public health and safety. **Read more on page 63.**
6 CLEAN WATER AND SANITATION	**Water**	• Contribute to Singapore's water security through the provision of freshwater supply by generating desalinated potable water and NEWater at the SingSpring Desalination Plant and Ulu Pandan NEWater Plant respectively. • Optimise water efficiency at its assets by adopting water-efficient equipment, technologies and processes, e.g. use of seawater at KMC to cool its generators, and use of recycled water at Senoko WTE Plant to wash and cool machineries. • Ensure that effluent discharged to water courses or sewer systems is treated in compliance with applicable country-specific environmental standards, requirements and limits. There were no incidents of trade effluent discharge leading to regulatory actions in 2022. **Read more on pages 59 to 60.**
7 AFFORDABLE AND CLEAN ENERGY	**Energy**	• Commit to progressively increase KIT's ownership in renewable energy, with a target to increase its portfolio exposure to renewable energy by up to 25% of equity-adjusted Assets Under Management (AUM) by 2030. • Made its first acquisitions of onshore and offshore wind farms in 2022, growing KIT's exposure to renewable energy from 0% to 10% of AUM. • Installed solar photovoltaic (PV) panels at select assets to generate renewable energy for operational needs. • Invest in research and development projects to explore sustainable energy solutions such as green hydrogen. • Support the clean energy transition of the countries it operates in – E.g., City Energy launched its electric vehicle (EV) charging services business in April 2022 in support of the Singapore EV roadmap. **Read more on pages 50 to 52.**
8 DECENT WORK AND ECONOMIC GROWTH	**Economic Sustainability**	• KIT's business operations generate employment, opportunities for suppliers and tax revenues for governments. • The Trust delivered a bumper year with record EBITDA of $402 million for FY 2022, a 27% increase year-on-year, contributed by new acquisitions and steady portfolio performance. KIT declared a 1.1% increase in DPU to 3.78 cents for FY 2022, representing a payout ratio of 86%. The retained earnings will enable KIT to shore up capital for growth and improve portfolio resiliency in this current market environment. **Read more on pages 61.**
	Human Capital Management **Diversity and Inclusion**	• Adhere to Singapore's Tripartite Guidelines on Fair Employment Practices and strive to uphold the Employers' Pledge of Fair Employment Practices. • Provide training and development opportunities to employees, including a development scheme that supports employees who aspire to upgrade themselves with a higher professional certification. • Zero tolerance for discrimination of any kind, which is reinforced by the KIT Corporate Statement on Human Rights, and its Statement on Diversity and Inclusion. **Read more on pages 65 to 68.**
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Asset Quality and Safety**	• Maintain high standards of asset quality and ensure operational resilience, through regular maintenance works as well as capital investment in equipment upgrading. • Assets are also certified to internationally recognised standards such as ISO 9001 and ISO 14001. **Read more on page 63.**
11 SUSTAINABLE CITIES AND COMMUNITIES	**Emissions** **Energy**	• Leverage technology innovation to increase the energy efficiency of its existing portfolio of assets, including the adoption of energy-efficient equipment and technologies, and exploring innovative green energy solutions. • The Trustee-Manager also collaborates with its operational and maintenance contractors to optimise energy consumption and ensure that plants are operating according to their energy-efficient designs. • The cost and impact of carbon emissions are also considered in all major investment decisions. **Read more on pages 50 to 52.**
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Sustainable Supply Chain Management**	• The Keppel Group Supplier Code of Conduct encourages its suppliers to adopt responsible business practices and outlines standards for environmental management, business conduct, labour, as well as health and safety practices of suppliers. Adherence is required by all major suppliers. **Read more on page 64.**
	Waste Management	• KIT's WTE plants reduce the volume of waste generated significantly by turning them to ash. The plants have a 72% recovery rate from bottom ash, achieving the Trust's 70% recovery target rate. **Read more on page 59.**
13 CLIMATE ACTION	**Climate Change Adaptation**	• Set a firm commitment and a roadmap to implement the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, to build the resilience of KIT's portfolio and operations against climate change risks, as well as to assess potential opportunities KIT can capitalise on as the world transitions to a low-carbon economy. • A detailed scenario analysis was conducted in 2022 to evaluate and understand the potential impacts of climate-related risks and opportunities on KIT's portfolio and operations. **Read more on pages 53 to 58.**
	Emissions **Energy**	• Developed its carbon strategy with a target to reduce carbon emissions intensity by 30%, and to increase its portfolio exposure to renewable energy by up to 25% of equity-adjusted AUM by 2030, based on 2019 levels. • Reduce GHG emissions through energy optimisation efforts and increase the use of renewable energy across its portfolio. • KIT's WTE plants recover energy through its operations to generate electricity, and sold approximately 947,000 GJ of the electricity that it produced in 2022. **Read more on pages 50 to 52.**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Corporate Governance**	• Adopt the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore (MAS) as its benchmark for corporate governance policies and practices. • Maintain a sound and effective system of risk management and internal controls through its Enterprise Risk Management Framework. **Read more on pages 61 to 62.**
	Ethics and Integrity	• Employees are required to adhere to the KIT Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices. • In 2022, there were no confirmed incidents of corruption, bribery or fraud, nor non-compliance with laws or regulations. **Read more on pages 62 to 63.**
17 PARTNERSHIPS FOR THE GOALS	**Community Development and Engagement**	• Contributed approximately $168,000 in donations to support various philanthropic initiatives and community needs in 2022. • Beyond monetary contributions, employees are encouraged to give back to the community through participating in outreach efforts. All employees are provided two days of paid volunteerism leave each year to participate in community initiatives within the Keppel Group. • Together with Keppel Capital, the Trustee-Manager committed more than 1,000 volunteering hours in 2022. **Read more on pages 71 to 72.**

External Memberships, Initiatives and Certifications

The Trustee-Manager supports several initiatives and organisations that promote sustainable best practices and strong corporate governance. KIT participates in the following external industry associations and initiatives, and obtained green certifications and award schemes through its businesses and assets. The Trustee-Manager, through Keppel Capital, is also a signatory of the United Nations Global Compact and is committed to the Global Compact's 10 universal principles, which include human rights, labour, environment, and anti-corruption. Keppel Capital is also a CDP capital markets signatory, dedicated to driving corporate environmental transparency.

External Memberships and Certifications

Signatory of: PRI Principles for Responsible Investment	The Trustee-Manager, through Keppel Capital, is a signatory of the United Nations-supported Principles for Responsible Investment, committed to adopting the PRI's six Principles where possible.
swa Singapore Water Association	The parent company of the operators of Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant, Keppel Infrastructure, is an active member of the Singapore Water Association, a collaborative platform for private sector players in the water industry, to profile and promote Singapore as a one-stop centre for all water-related services and as a water technology hub.
GAS Gas Association of Singapore	City Energy is a member of the Gas Association of Singapore, an independent national body that brings together professionals, practitioners, and experts in the gas industry to collaborate and share knowledge, as well as promote uniformity in industry practice and standards.
WMRAS Waste Management & Recycling Association of Singapore	The parent company of the operators of Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant, Keppel Infrastructure, is a member of the Waste Management and Recycling Association of Singapore, which works with the government and community to promote recycling to create a more sustainable living environment.
SIAS	The Trustee-Manager, through the Keppel Group, supports the Securities Investors Association (Singapore) in its initiatives to empower the investment community through investor education.
MSCI ESG Ratings BBB (CCC B BB BBB A AA AAA)	KIT received a 'BBB' rating in the MSCI ESG Ratings assessment in 2022 that measures a company's resilience to long term, financially relevant material ESG risks.[1]

[1] The use by KIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of KIT by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

KIT's portfolio of businesses and assets have also attained various sustainability certifications as listed below.

Sustainability Certification and Awards

Business/Asset	Sustainability Certification/ Awards
City Energy	ISO 9001, ISO 14001, ISO 50001
Ixom	ISO 9001, ISO/FSSC 22000, EcoVadis Bronze
Keppel Merlimau Cogen Plant	ISO 9001, ISO 14001, ISO 27001, ISO 37001, ISO 50001
Keppel Seghers Tuas WTE Plant	ISO 9001, ISO 14001, ISO 37001, ISO 50001
Senoko WTE Plant	ISO 9001, ISO 14001, ISO 37001, ISO 50001
Keppel Seghers Ulu Pandan NEWater Plant	ISO 9001, ISO 14001, ISO 37001, ISO 50001
Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal)	Environmental Compliance Certificate
	Subic Bay Metropolitan Authority (SBMA) Mabuhay Business Awards (for good corporate governance, HR and OHS practices)
	2 out of 10 Outstanding Freeport Worker Awards
	Freeport Corporate Partner Awardee (for contribution to employee welfare, safety and diversity)

Stakeholder Engagement

The Trustee-Manager incorporates stakeholders' interests in making business decisions and to continually improve its ESG performance. Regular dialogues are conducted to understand and manage stakeholders' expectations, needs and feedback.

The Trustee-Manager communicates on topics that are most important to its stakeholders by measuring and reporting on associated performance metrics against material ESG factors. Such information is provided through appropriate channels to the respective stakeholders.

The table below outlines the modes of engagement and key topics of concern of the Trust's key stakeholder groups:

Employees

Objectives of Engagement
Build talent pool through continuous investments in training and development, as well as employee welfare.

Engagement Platforms
Involvement in different employee interest groups; dialogue sessions with senior leaders; annual employee engagement survey; appreciation month; physical wellbeing month; staff communication sessions; leadership programmes; teambuilding activities; dinner & dance; overseas offsite retreat.

Key Topics of Concern
Employees' personal and professional growth; sharing of ideas; culture of recognition and appreciation; self-directed learning; inspiring others through leading by example.

Frequency of Engagement
Ongoing regular engagement.

Customers

Objectives of Engagement
Grow customer base; deepen relationships with existing and prospective customers.

Engagement Platforms
Regular meetings; feedback channels such as emails and phone calls; regular customer satisfaction surveys.

Key Topics of Concern
Product and service quality; Health, Safety, Security and Environment (HSSE) requirements.

Frequency of Engagement
Ongoing regular engagement.

Investors

Objectives of Engagement
Ensure timely and accurate disclosure of information.

Engagement Platforms
Annual and sustainability reports; media releases; investor presentations; SGX announcements; general meetings; in-person and virtual local and overseas investor roadshows; quarterly teleconferences or webcasts; corporate website; email feedback; meetings and conference calls.

Key Topics of Concern
Business strategy and corporate developments; financial performance; sustainability issues.

Frequency of Engagement
Ongoing regular engagement.

Business Partners

Objectives of Engagement
Align practices for better planning, responsive vendor support and mutually beneficial relationships.

Engagement Platforms
Regular meetings with suppliers, contractors and joint venture partners; management site visits.

Key Topics of Concern
Compliance; collaboration; HSSE matters.

Frequency of Engagement
Ongoing regular engagement.

Governments & Regulatory Bodies

Objectives of Engagement
Collaborate and work alongside on issues of mutual interest.

Engagement Platforms
Regular meetings and site inspections; renewal of licenses and permits.

Key Topics of Concern
Feedback on new guidelines, including sustainability; opportunities for business collaborations.

Frequency of Engagement
Ongoing regular engagement.

Local Communities

Objectives of Engagement
Impact communities positively.

Engagement Platforms
Volunteer activities; financial contributions.

Key Topics of Concern
Positive social contributions.

Frequency of Engagement
Ongoing regular engagement.

Environmental Stewardship

KIT is committed to accelerate efforts to transition towards a low-carbon future and mitigate the impact of climate change.

Emissions & Energy

Management Approach

As a business invested in critical infrastructure assets with operations and activities that impact the environment, the Trustee-Manager is committed to doing its part to combat climate change and utilise resources in a responsible manner.

The Trustee-Manager has developed its carbon strategy to achieve a target of 30% reduction of carbon emissions intensity by 2030 based on 2019 levels. Corresponding to its emissions target, it also aims to increase its portfolio exposure to renewable energy by up to 25% of Assets Under Management (AUM) by 2030.

To achieve this, it will progressively increase its ownership in renewables-based assets and reduce its exposure to heavy carbon emission emitters, while leveraging technology and innovation to increase the energy efficiency of its existing portfolio.

KIT's current portfolio of infrastructure businesses and assets has been strategically rebalanced to capitalise on and contribute to the global transition to a low-carbon economy. The addition of renewables-based assets to its portfolio supports the energy transition to combat climate change. At the same time, its waste-to-energy assets continue to provide clean energy and waste disposal solutions that also drive the move towards a circular economy.

KIT's decarbonisation drive centres around reducing greenhouse gas (GHG) emissions through energy optimisation efforts and increasing the use of renewable energy. To do so, the Trustee-Manager adopts energy-efficient equipment and technologies, while actively monitoring energy consumption at KIT's assets where it has operational control. Examples of these include the installation of energy-efficient lighting at KIT's WTE plants, the utilisation of energy saving compressors and high-efficiency gas turbines at KMC, as well as improving the roof design for natural daylighting and water treatment membrane efficiency at the SingSpring Desalination Plant. The Trustee-Manager also collaborates with its operations and maintenance contractors to optimise energy consumption and ensure that plants are operating according to their energy-efficient designs.

Some of its energy-intensive assets are designed in accordance with the Energy Conservation Act of Singapore and are required from 2021 to undergo an energy efficiency opportunities assessment, to help identify initiatives that can reduce energy consumption.

Performance and Progress

In 2022, the Trustee-Manager completed strategic acquisitions which are aligned with its carbon strategy and grew KIT's exposure to renewables from 0% to 10% of AUM, making steady progress towards its target of 25% of AUM in renewables by 2030. The acquisitions include a European onshore wind platform comprising three wind farms across Norway and Sweden, as well as a German offshore wind farm with a combined operating capacity of 723 MW. KIT also acquired Eco Management Korea, a leading integrated waste management platform in South Korea operating six WTE plants and five sludge drying facilities.

GHG Emissions

Based on the GHG Protocol, the most recognised international standard for corporate accounting and reporting emissions, GHG emissions are categorised into Scope 1, 2 and 3 based on the source of emissions. Scope 1 emissions are direct

Total GHG Emissions (tCO_2e)

Scope 1 (Direct) Emissions[1]	1,753,000
Scope 2 (Indirect) Emissions[2]	157,000
Scope 3 (Indirect) Emissions[3]	1,399,000
Total	**3,309,000**

Note: Figures have been rounded off to the nearest thousand.

1 Mainly in natural gas, diesel and naphtha.
2 Use of electricity.
3 The 10 categories are purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated from operations, business travel, employee commute, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products, investments.

Scope 3 Relevant Categories	Emissions in 2022 (tCO_2e)
End-of-life treatment of sold products	<100
Downstream transportation and distribution[1]	300
Business travel	700
Employee commuting[2]	800
Waste generated in operations	4000
Capital goods	6,600
Fuel and energy related activities	97,800
Upstream transportation and distribution	173,000
Use of sold products	331,700
Purchased goods and services	784,100
Total	**1,339,000**

Note: Figures have been rounded off to the nearest thousand.

Emission factors for purchased goods and services, capital goods and business travel - land are referenced from the United States Environmental Protection Agency's (USEPA) Environmentally-Extended Input-Output (EEIO) models. WTT and WTT-T&D emission factors for fuel and energy related activities are referenced from BEIS while T&D emission factors are referenced from the International Energy Agency (IEA). Emission factors for waste, business travel – air, upstream transportation and distribution, are similarly referenced from BEIS. Emission factors for commuting are referenced from the SMRT Corporation and Land Transport Authority. Emission factors for downstream transportation and distribution are referenced from both BEIS and USEPA EEIO models. Emission factors for use of sold products are based on town gas emission factors referenced from the GHG Emissions Measurement and Reporting Guidelines developed by the National Environmental Agency in Singapore.

1 Downstream transportation and distribution emissions are estimated based on the number of products sold. A conservative assumption was made that each client purchases one item per trip and each trip was equivalent to driving from one end of Singapore to the other.
2 Employee commuting emissions are estimated based on the Singapore Census of Population 2020 survey. We have expanded the scope of this category in 2022 to cover all employees under KIT and more accurately represent our portfolio.

emissions from owned or controlled sources while Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 includes all other indirect emissions that occur in a company's value chain. KIT's GHG emissions comprise Scope 1 emissions, which are predominantly from KMC's operations, Scope 2 emissions from electricity use, and Scope 3 emissions.

Following the Scope 3 emissions screening exercise in 2021 to better understand KIT's carbon footprint and opportunities for reduction, the Trustee-Manager has expanded KIT's Scope 3 disclosure to cover all relevant categories in this report, a step up from the seven categories shared in the previous report.

KIT's total GHG emissions for 2022 was 3,309,000 tCO_2e, a 31% increase from 2021. The inclusion of the full Scope 3 inventory in the 2022 performance data accounted for most of the increase in total GHG emissions, as compared to 2021 which included seven categories. Purchased goods and services was the main contributor to Scope 3 emissions in 2022.

Scope 1 and 2 emissions totalled 1,910,000 tCO_2e in 2022, a 9% decrease from 2021 due mainly to lower electricity generation output from KMC. Scope 1 and 2 emissions intensity was 8,585 tCO_2e/mil $ in 2022, a 21% decrease from 2021 due to the addition of carbon efficient assets and a stronger financial performance.

Energy

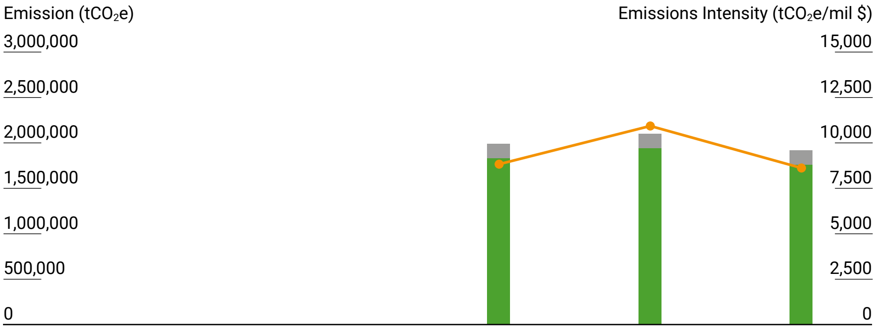
KIT's businesses and assets consume energy directly through onsite business operations and indirectly through purchased electricity. Energy consumption data was collected through the Trustee-Manager's sustainability data collection and analysis system, as well as monthly reports submitted by its businesses and assets.

In 2022, the total net energy consumption across the portfolio was 7,085,000 gigajoules (GJ), comprising fuel consumption mostly of natural gas, diesel and naphtha, energy consumption from renewable sources including solar and biomass derived from municipal solid waste, and electricity consumption, net of electricity sold. This was a slight increase from 2021 mainly due to lesser electricity sold at WTE plants.

To reduce GHG emissions and support the transition to a clean energy future, KIT generates and consumes renewable energy from solar photovoltaic (PV) panels. It also generates energy from municipal solid waste processed at its WTE plants.

Besides existing solar PV panels installed at the Keppel Seghers UPNP and KMC, which have a total generation

Total Scopes 1 and 2 Emissions

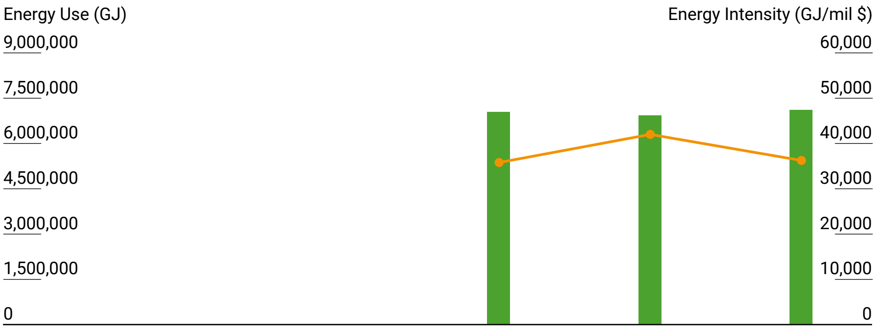


	2020	2021	**2022**
Scope 1 (tCO_2e)	1,828,000	1,939,000	**1,753,000**
Scope 2 (tCO_2e)	158,000	156,000	**157,000**
Total Scopes 1 and 2 (tCO_2e)	1,986,000	2,095,000	**1,910,000**
GHG Emissions Intensity (tCO_2e/mil $)	8,796	10,898	**8,585**

Notes: Figures have been rounded off to the nearest thousand.

1 GHG emissions are calculated in accordance with the equity share approach of the GHG Protocol standard – the most widely accepted international standard for GHG accounting. Gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO_2e).
2 Conversion factors for Scope 1 and Scope 2 (market-based) GHG emissions were obtained from the relevant service providers and local authorities, such as the Energy Market Authority of Singapore and Australian Government's Department of Climate Change and Energy Efficiency.
3 GHG intensity calculation is based on distributable income, in millions of Singapore dollars. It includes Scopes 1 and 2 emissions.

Net Energy Consumption



	2020	2021	**2022**
Energy from Fuel (GJ)	6,685,000	6,692,000	**6,681,000**
Electricity Consumed (GJ)	1,004,000	1,003,000	**981,000**
Renewable Energy (GJ)	359,000	352,000	**370,000**
Total Energy Consumption (GJ)	8,048,000	8,047,000	**8,032,000**
Electricity Sold (GJ)	1,028,000	1,143,000	**947,000**
Net Energy Consumption (GJ)[1]	7,020,000	6,904,000	**7,085,000**
Energy Intensity (GJ/mil $)[2]	35,660	41,865	**36,115**

Notes: Figures have been rounded off to the nearest thousand.

1 Total net energy consumption is based on total energy consumption from fuel and renewable sources, and electricity consumption, net of electricity sold, in gigajoules.
2 Energy intensity calculation is based on total energy consumption in gigajoules and distributable income, in millions of Singapore dollars.
3 KMC data excluded from the computation of energy from fuel and electricity sold due to commercial sensitivity.

capacity of 2 MWp to generate electricity for lighting and aircon units at the plants, the Trustee-Manager has also completed the installation of a solar PV system with a generation capacity of 0.2 MWp at City Energy in February 2023 and is exploring similar installations at other KIT Assets.

In 2022, renewable energy made up 5% of KIT's net energy consumption, similar to 2021. KIT sold 947,000 GJ of the electricity that it produced from its WTE plants in 2022, a 17% decrease compared to 2021 due to maintenance works at WTE plants.

KIT increased its exposure to renewables through the acquisition of offshore and onshore wind farms in 2022. The Trustee-Manager also signed a non-binding Memorandum of Understanding (MOU) with Jinko Power, a leading independent solar power producer in China, to explore solar farm and energy storage investment opportunities in Asia Pacific and Europe. Under the MOU, Jinko Power will identify up to 1,000 MW of solar farm and energy storage projects from its high quality pipeline of assets, which KIT can potentially invest in.

The Trustee-Manager seeks to leverage technology and innovation to implement its carbon strategy and meet its targets through exploring innovative green energy solutions.

KIT's businesses also support the clean energy transition of the countries they operate in. City Energy launched its electric vehicle (EV) charging services business in April 2022, in support of the Singapore EV roadmap and contributed to the Singapore Green Plan, a national movement to advance the country's agenda on sustainable development.

In 2022, *Go* by City Energy expanded its network to 32 deployed EV charging points across Singapore. KIT's investment in the Aramco Gas Pipelines Company in February 2022 supports the energy transition of the Saudi economy towards a more sustainable future.

Initial Portfolio

3 projects

With combined capacity of 258 MW

Consented Portfolio

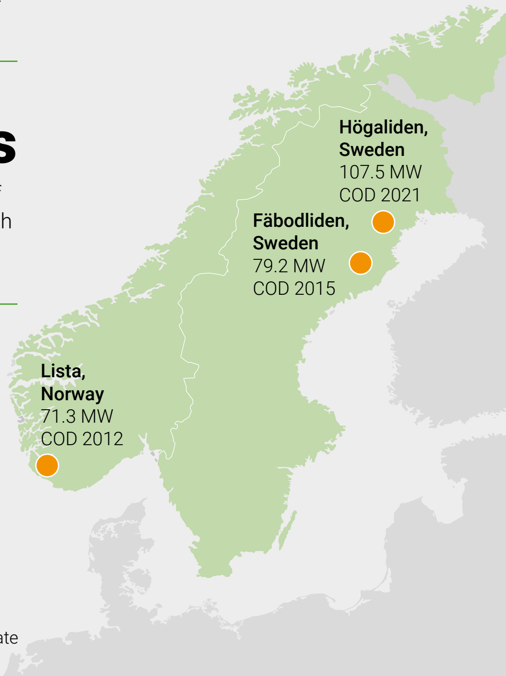
7 projects

With combined capacity of 503 MW, expecting to reach Final Investment Decision within the next 3 years

Additional Pipeline

8

Additional eligible projects with combined capacity of 660 MW



COD – Commercial Operation Date

Spotlight

Making Headway in the Renewable Energy Market

In line with its sustainable growth strategy, the Trustee-Manager made headway in the renewable energy market with the investments in wind farms assets across Europe, as joint investments with Keppel Corporation, through a joint venture with its wholly-owned subsidiary, Keppel Renewable Investments (KRI). These mark KIT's first investments in Europe and reinforce its strategy to grow the energy transition segment of its business.

European Onshore Wind Platform

KIT holds a 13.4% interest in a portfolio of three operating onshore wind farms with a combined capacity of 258 MW across Norway and Sweden. The assets are operated by Fred. Olsen Renewables AS (FORAS), one of the largest renewable energy Independent Power Producers in Northern Europe. As part of the transaction, investors will also have a five-year exclusive right to co-invest in 49% of all FORAS' eligible pipeline of onshore wind energy assets up to a total capacity of 1.2 GW in Sweden and the United Kingdom when the assets are ready, up to a total capital commitment of €480 million (approximately $700.8 million).

Borkum Riffgrund 2

KIT holds 20.5% interest in Borkum Riffgrund 2 (BKR2), a 465 MW operating German offshore wind farm with a remaining operational life of 31 years until 2053. BKR2 is operated by Ørsted, one of the largest developer and operator of offshore wind farms in the world with over 30 years of experience. The wind farm benefits from high wind resource availability in the North Sea. It is located next to Wadden Sea, a UNESCO World Heritage site, where new wind farms are unlikely to be built.

Spotlight

Forest Carbon Capture Study at Philippine Coastal

Located in Subic Bay with a combined land size of about 160 hectares, Philippine Coastal Storage & Pipeline Corporation (Philippine Coastal) has approximately 71 hectares of forested area.

In 2022, KIT commissioned a desktop research and study to develop a high-level estimate of the amount of carbon stocks within the asset's compound. This would serve to provide an indication of the potential opportunities for carbon capture projects in the future.

The study covered six sites within Philippine Coastal. Sentinel data, which is spatial data obtained via Sentinel-2 satellites launched as part of the European Space Agency's Copernicus Programme to collect and provide information for agriculture and forestry, was used to map the forested areas. The data was then processed using remote sensing analysis and the ArcGIS program. In the absence of carbon sampling in the area, the study utilised the available carbon densities in the different land uses, based on research conducted on comparable land covers that are similar to these forested areas.

The study estimated that total carbon stocks in the areas covered is approximately 111,000 tCO_2e with a rate of carbon sequestration of 1,300 tCO_2e annually. In addition to ensure our forests are protected and sustainably managed, KIT will be exploring the generation of carbon credits through the forests in future.

Climate Change Adaptation

Management Approach

Addressing climate-related impact is crucial to ensure that businesses remain sustainable and resilient. As climate change presents both risks and opportunities to KIT's portfolio and operations, the Trustee-Manager has set a firm commitment and a roadmap to implement the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.

The TCFD was established to promote better disclosure of climate-related impact and enable stakeholders to make more informed financial decisions. KIT supports TCFD's objectives and seeks to align its approach with the TCFD recommendations. This will inform KIT's operations and investment plans, support better decision-making, disclosures and performance. It would also enhance the resilience of KIT's portfolio against climate change risks and allow the Trust to capitalise on potential opportunities as the world transitions to a low carbon economy.

In 2021, the Manager developed a two-year roadmap to progressively align with the recommendations of the TCFD framework, laying the foundation for continued implementation over the long term. The roadmap is in line with the Singapore Exchange (SGX) listing requirements and the phased approach suggested in SGX's Practice Note 7.6 Sustainability Reporting Guide.

KIT's Approach to Climate Change Adaptation

This section describes KIT's approach to climate change adaptation, in alignment with the TCFD recommendations and its four core pillars.

2021 Roadmap Established

2022 Conducted Scenario Analysis

Where We Are

Establish Governance	Climate Scenario Analysis	Identify Potential Business Responses	Integration
• Established sustainability governance structure	• Identified current and anticipated climate-related risks and opportunities • Developed appropriate climate scenarios and narratives • Assessed potential impact of climate-related risks and opportunities across scenarios	• Identify appropriate business response to mitigate and manage material risks and opportunities	• Integrate analysis of climate-related risks and opportunities into decision making, financial planning and risk management • Review and update climate-related metrics and targets • Monitor implementation of and performance

Monitor implementation of roadmap progress

Environmental Stewardship

Governance
To bolster the resilience of KIT's portfolio and operations, responses to climate-related risks and opportunities are assessed and integrated into KIT's strategy formulation and business operations.

A dedicated Board ESG Committee (BEC) was established in January 2022 to enhance the Trust's commitment to sustainability. The BEC provides an oversight of KIT's ESG strategy and initiatives, which includes the management of climate-related risks and opportunities, in driving long-term value creation. This includes the approval and review of performance and progress against targets on material ESG factors.

The BEC comprises three independent directors and convenes meetings at least quarterly to discuss KIT's sustainability plans and performance. The BEC is supported by a Sustainability Working Committee (SWC). Comprising the Asset Management, Finance, Human Resources, Investment, Investor Relations and Sustainability, Legal, and Risk and Compliance departments, the SWC implements the Trustee-Manager's ESG strategy and initiatives, and is also responsible for monitoring the Trust's performance against its material ESG factors.

For information on KIT's sustainability governance structure please refer to page 43.

Strategy
As a first step in its TCFD roadmap, the Trustee-Manager conducted a preliminary exercise to identify climate-related risks and opportunities. A detailed scenario analysis was then conducted to understand the potential impact of climate-related risks and opportunities on the Trust's businesses and assets.

The results of the scenario analysis showed that the KIT portfolio is resilient in the short-term. The Trustee-Manager is assessing the extent of potential impact in the medium and long-term.

The scenario analysis also highlighted climate-related opportunities that are growing in significance and where KIT is strategically positioned to capitalise on.

These results are used to inform decision-making, financial planning and risk management, to ensure that mitigation plans and pertinent business responses are in place. This is part of the Trustee-Manager's overall transition plan to future proof KIT's portfolio and ensure that it remains resilient and relevant as the world moves towards net zero.

In addition to the scenario analysis, KIT incorporates sustainability issues, including climate change, in the evaluation of all investment opportunities. The cost and impact of carbon emissions are also considered in all major investment decisions.

In 2022, KIT made headway into the renewable energy market with investments into wind farm assets in Europe, contributing to energy security and supporting the transition to a low carbon economy.

The results of the scenario analysis, as well as the current and future business mitigation responses are presented in greater detail below in this report.

Overview of Scenario Analysis
Scenario analysis is not a forecast or prediction, nor a full description of the future. However, as a decision-making tool, scenario analysis evaluates the resilience of current strategies and assets against plausible future scenarios and subsequently identifies options to strengthen the resilience of the KIT portfolio.

The TCFD has classified climate-related risks into two categories, namely (1) physical risks and (2) transition risks. Physical risks arise from climate change, and it can be event driven (acute) or longer-term shifts (chronic). Transition risks are associated with policy changes, reputational impact, as well as shifts in market preferences, norms and technology as the world moves toward a low-carbon economy. With the knowledge of risks, actions taken to mitigate these risks can also bring opportunities such as cost savings or innovations that propel new growth.

1. Physical Risk Assessment
A total of seven high risk sites[1] were assessed for KIT's physical climate risk assessment. Eleven physical risks were identified and comprised a mix of chronic and acute or extreme events. Chronic risks include monthly changes in temperature, precipitation and relative humidity, while acute or extreme events include wildfires and rising sea levels. The potential financial impact of these risks was then assessed through a scenario analysis, using timeframes that align to Keppel Corporation's group-wide targets.

Shared Socioeconomic Pathways (SSPs) referenced in the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) have been utilised to select relevant scenarios for analysis. The SSPs from the IPCC AR6 report feature multiple baseline worlds which explore climate change over the 21st century and beyond that might occur.

The SSP scenarios provide narratives describing alternative socio-economic developments, including the projections of population and economic growth, as well as technology and geopolitical trends to analyse the drivers of climate change and potential impact on climate-related risks.

KIT selected three SSP scenarios for its assessment of physical risks. These scenarios were selected in alignment with TCFD's recommendations to consider a 2°C or lower climate scenario, as well as a scenario with increased physical climate-related risks.

Three scenarios were selected and analysed to understand their impact over the short, medium and long-term outlook taking into account KIT's existing portfolio.

SSP 1-2.6: Global CO_2 emissions are cut severely, but not as fast, reaching net zero after 2050, limiting warming to below 2°C. The world shifts gradually toward a more sustainable path, emphasising inclusive development that respects environmental boundaries, reducing inequality both across and within countries.

SSP 2-4.5: CO_2 emissions hover around current levels before starting to fall mid-century but do not reach net zero by 2100, with an average global temperature reaching an increase of 2.7°C. Socioeconomic factors follow their historic trends, with no notable shifts. Progress toward sustainability is slow, with development and income growing unevenly.

SSP 5-8.5: This is a future to avoid at all costs. Current CO_2 emissions levels roughly double by 2050. The global economy grows quickly, but this growth is fuelled by exploiting fossil fuels and energy-intensive lifestyles. By 2100, the average global temperature is a scorching 4.4°C higher.

The Physical Climate Risks table on the right provides an assessment of the potential impact to KIT's business which has been assessed assuming no mitigation has been put in place. The scenario analysis is not a financial forecast. Instead, it provides an understanding of the trajectory and comparative significance of climate-related risks. KIT has actively taken steps to mitigate and respond to these risks and is committed to continuously evolve its approach to ensure its short, medium and long-term resilience.

[1] City Energy, Ixom (Botany and Laverton North), Philippine Coastal Storage & Pipeline Corporation, SingSpring, Keppel Merlimau Cogen Plant, and Keppel Seghers Tuas Waste-to-Energy Plant.

KIT's Physical Climate Risks

Risk Description	Description of Potential Business Impact	Business Response
Extreme precipitation Exposure of assets to substantial exceedance in the amount of rainfall delivered.	More frequent, extreme or high-intensity, short-duration precipitation can cause flooding, damaging property and the natural environment. This can impair the accessibility or function of buildings for users.	• Assess potential mitigation options to retrofit and improve existing assets including the installation and/or enhancement of drainage systems, water level sensors, building elevation and usage of anti-slip materials where applicable. • Review and assess business impact on potential investments within the portfolio.
Extreme water level Coastal extreme sea-level elevations occurring with a confluence of events such as storms, high tides, and sea level change.	Destruction of the built environment, including the physical structure of buildings, surrounding infrastructure and the natural environment. Reduced accessibility may impact productivity for employees and tenants leading to financial loss.	
Mean sea level rise Location-specific variations in sea-level changes influenced by factors such as vertical land movement, regional ocean currents etc.	Property damage due to exposure to sea spray and contact with water.	
Extreme temperature Unexpected severe temperature variations above or below normal conditions.	Exposure to extreme temperature changes may lead to reduced durability of building materials and affect the indoor climate of buildings. This can affect productivity and pose health and safety risks to individuals. The potential need to restrict working hours to reduce exposure could affect business productivity and increase operating costs from higher energy consumption used to cool buildings.	• Installation of smart indoor temperature sensors and monitors to control and adjust building heating, ventilation and air conditioning and ensure the health and safety of employees. • Actively assess and monitor the durability of building materials in existing assets and future acquisitions and investments. • Ensure retrofitting of adequate and energy efficient chiller system air handling units.
Heat wave days Persistent period of high temperatures.	Prolonged exposure to excessive heat leading to human discomfort and posing a threat to health. Restricting working hours to reduce exposure increases impact to business. Increased energy consumption required for cooling buildings.	• Provision of cooling measures such as providing more shade or air-conditioning. • Establish protocols to adjust business operations and working arrangements (e.g. location, working hours) in the event of heat waves to reduce exposure.
Extreme wind speed Exposure of assets to an increased frequency of extreme wind gusts due to an increase in weather differentials.	Increasingly strong and turbulent extreme wind speeds could lead to higher frequency and magnitude of building and equipment damage. This can include broken fixtures such as roofs, windows and outdoor equipment, leading to increased operational costs to repair and replace infrastructure and equipment.	• Enhance maintenance regime by monitoring building fixtures and materials of existing assets and for implementation in future investments.
Fire risk Increased potential and frequency of fire-related risks associated with warmer, and low moisture conditions due to climate change.	Increased potential of fire risks can lead to the destruction of property and the surrounding natural environment resulting in economic losses to re-build or replace property.	• Installation of fire-retardant materials to reduce impact from fires. • Update business continuity plans and communicate to relevant stakeholders to reduce impact from business interruptions. • Ensure fire protection and monitoring systems are updated to ensure the health and safety of employees.

2. Transition Risks and Opportunities Assessment

To identify climate-related transition risks, a sectoral and geographical research was conducted to assess potential climate-based and regulatory impact to the Trust as the world transitions to net zero. The Trustee-Manager engaged internal stakeholders across business functions to identify the risks and opportunities which are most relevant to KIT's context.

Following this initial identification exercise, KIT followed the guidance from the Network for Greening the Financial System (NGFS) to identify relevant scenarios and conduct the assessment. The NGFS scenarios aim to provide the public and private sector players with an analysis of the financial risks associated with climate change. Throughout this process, the IPCC and NGFS indicators were used in assessing the risks and opportunities.

Several scenarios and timeframes were considered, and KIT has identified three NGFS scenarios as relevant:

Orderly: Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C. This scenario assumes that climate policies are introduced immediately and becomes progressively more stringent. Early, ambitious actions towards a net zero economy implies that physical and transition risks are relatively subdued. Through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050. This pathway assumes smooth physical changes in climate over time and that policies and technological actions are adopted in a coordinated and timely manner. Two sub-scenarios, Net Zero 2050 and Below 2°C futures are factored.

Disorderly: Action that is late, disruptive, sudden and/or unanticipated. The introduction of new climate policies is delayed and divergent across countries and sectors, with varied implementations and effectiveness, lack of coordination and alignment with global policies. These disruptions often translate into higher transition risk due to policies being delayed or diverged across countries and sectors and annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C.

Hot house world: Limited action leading to a hot house world with significant global warming. This results in a strong increase in exposure to physical risks which include irreversible impact such as rising sea level. Two sub-scenarios include: (i) current policies, which assume that existing policies are preserved, and (ii) Nationally Determined Contributions, which include all pledged targets, regardless of evidence of implementation of effective policies.

Each of the chosen scenarios explores a different set of assumptions (e.g., climate policy, emissions, and temperature), across time to assess risks and opportunities in the near, medium and long-term, supporting the Trustee-Manager's understanding in the evolving implications of potential risks and opportunities over time. This enables the Trustee-Manager to better inform decision-making and identify effective and immediate mitigation options. The level of risk or opportunity for each identified climate-related risks and opportunities was then examined and scored, considering and referencing KIT's existing Enterprise Risk Management (ERM) framework for future integration.

Each identified risk was assessed based on three broad factors:

i. vulnerability,
ii. the magnitude of the potential impact of the risk and
iii. the likelihood of that risk occurring in the context of the chosen time periods for the three NGFS scenarios.

For the opportunities identified, factors such as the size of the opportunity, and the ability of the Trustee-Manager to execute the potential opportunity are considered. The findings from this exercise enabled the Trustee-Manager to refine its decision-making processes in evaluating potential risks and opportunities for future investments.

The Transition Risks and Opportunities tables below provide the results of KIT's scenario analysis for transition risks and opportunities. The potential impact to the KIT business has been assessed assuming no mitigation and is not a financial forecast. Rather, it provides a qualitative assessment of potential financial impact, providing a greater understanding of the trajectory and comparative significance of climate-related risks and opportunities. Similarly, the results are used to inform decision-making and financial planning. KIT has been actively taking steps to mitigate and respond to these risks and opportunities, and is committed to continuously evolve its approach to ensure its short, medium and long-term resilience while capitalising on arising opportunities.

Transition Risks and Opportunities

Risk Description	Description of Potential Business Impact	Business Response
Regulatory		
Increasing price of carbon Carbon tax in Singapore is set to increase, while Australia, Korea, The Philippines and Europe have adopted methods to account for CO_2 emissions.	As carbon tax increases across nations, operating costs would increase as businesses account for both direct and indirect carbon taxes due to energy consumption from processes such as the production of goods and services and the increase in prices of related materials. Increased operating costs could lead to a loss in revenue as customers choose other providers which are able to mitigate or remain unimpacted by carbon tax increases.	• Reduce energy consumption and optimise portfolio energy performance through the implementation of energy-efficient technology and best practices as well as sustainable smart buildings. • Actively track, monitor and analyse energy data to improve energy efficiency. • Actively assess the impact of carbon tax on the current portfolio and future potential investments to inform decision-making. • Ramp up the implementation of energy efficiency initiatives in current facilities where possible and explore opportunities towards offering low carbon solutions. • Develop and optimise the use of green energy such as solar power to reduce power purchase from the energy market.
Enhanced reporting obligations In Singapore, SGX has mandated issuers to provide climate-related reporting. Other upcoming frameworks developed such as the International Sustainability Standards Board (ISSB) will also be implemented to strengthen climate reporting.	To meet reporting regulations set by governments and institutions, businesses are required to bear extra costs to ensure sufficient internal capacity and capabilities of the business in terms of data collection and reporting management. This could lead to increased operating costs to hire, upskill and deploy the appropriate systems to ensure robust processes. Violations of mandatory regulations could also lead to potential financial penalties and associated reputational risks, leading to losses in financing opportunities and appearing less attractive to potential investors.	• KIT is fully compliant with the current reporting obligation standards across regulators, including the adherence to GRI. • Developed a roadmap and continues to make progress to report in alignment with the TCFD recommendations.
Stricter statutory regulations imposed by government and regulatory bodies Singapore has existing regulations with mandatory compliance for new and existing buildings. In addition, regulations surrounding the energy sector such as energy price caps and active carbon trading may also impact the infrastructure sector.	Evolving regulations and certification standards could lead to an increase in costs required to retrofit existing buildings within the portfolio and higher capital expenditure to invest in cleaner technologies to reduce energy consumption. This includes the use of more energy efficient lightings, heating and cooling, as well as water and waste systems. Being unable to meet these new sustainability standards and requirements may lead to associated reputational risks.	• KIT is currently fully compliant with current regulations with several assets achieving certifications in ISO 9001, 14001, 27001, 37001, 50001. KIT is also 'BBB' rated by MSCI ESG. • Continue to monitor potential energy saving enhancements and best practices.
Market		
Increase cost of materials and consumables Pressure to decarbonise on the back of rising costs of energy and fuels, operating in a stricter regulatory environment. These could lead to higher costs of production and carbon taxes, and greater investments and costs needed to comply with the stricter regulations.	Increased cost of materials and/or consumables for operations.	• To incorporate the assessment of the impact of increasing costs of building and manufacturing materials on potential investments. • Purchase materials from suppliers that are sustainable and efficient. • Evaluate and assess long-term costs, including the purchase of lower carbon building and manufacturing materials.

Risk Description	Description of Potential Business Impact	Business Response
Market		
Increase in costs of energy and fuel Expected increase in electricity costs, particularly in the short-term.	Higher energy costs may lead to lower profits.	• Reduce energy consumption and optimise portfolio energy performance through the implementation of energy-efficient technology and best practices as well as sustainable smart building features. • Actively track, monitor and analyse energy data to improve energy efficiency. • Develop and optimise the use of green energy such as solar power to reduce power purchase from the energy market.
Technology		
Unsuccessful investment in/deployment of new technology Increased demand for low carbon infrastructure facilities would drive KIT to invest in low carbon alternatives. Investing in the wrong technology and service offerings may lead to lower cost competitiveness if more effective technologies become available.	With the rapid advancement of technology, there is likely to be a continued emergence of lower carbon and more efficient solutions which can lead to lower return on investments from prior investments in less efficient technologies at higher costs.	• Assess the cost and benefit of potential technological investments for implementation across the portfolio, as well as assess the various options available. • Implement asset enhancement and energy efficiency improvement projects at energy intensive sites.
Reputation		
Shift in stakeholders' expectations Pressure to decarbonise would lead to a demand for low carbon solutions. Investors and consumers could move away from fossil fuel-based facilities. KIT could be exposed to competition for capital and revenue if customers prefer more sustainable offerings.	Not meeting changing stakeholder expectations can lead to reduced capital availability from investors and lenders.	• Reduce energy consumption and optimise portfolio energy performance through the implementation of energy-efficient technology and best practices as well as sustainable smart building features, employing renewable energy where possible. • Continue to diversify assets and expand services towards providing green energy solutions through clean and renewable energy forming a significant portion of the portfolio. • The Trustee-Manager has set a target to increase KIT's exposure to renewable energy to 25% of AUM by 2030.

Opportunity	Opportunity Description	Description of Potential Business Impact
Resource efficiency and energy source	Improving energy efficiency can help to reduce operating costs and attract clients in the medium to long-term. A net zero world could see a rapid introduction of new technologies to improve energy efficiency.	• Reduced exposure to changes in energy prices and decreased operating cost due to energy savings. • Increased revenue from clients looking for higher energy facilities and services.
Improved access to capital	Increase in demand and supply for green loans/bonds as the number of sustainability-oriented debt investors increase. KIT is able to tap on more opportunities to increase capital availability from new investors and fund growth at a potentially cheaper rate through the utilisation of green loans/bonds. KIT could also benefit from the reputational gains by offering sustainable products and services.	• Increase access to finance which can be used to fund energy efficiency initiatives or switch to renewables to improve portfolio resiliency. • Reputational benefits resulting in higher demand for goods and services.
Expansion of and increased demand for low carbon solutions	With the drive to achieve net zero, the opportunity to provide low to net zero carbon solutions will increase. Improving energy efficiency and increasing low carbon developments such as renewable energy offerings e.g., wind, solar, hydrogen will improve KIT's market competitiveness. By offering cost savings for clients through energy-efficient initiatives, KIT could see greater demand for its offerings.	• Increased revenue and business opportunities from low-carbon/net zero buildings and expansion into new markets.
Incentives provided by government entities	The Singapore government is encouraging decarbonisation through incentivisation, with buildings as a key area of focus. KIT could potentially look into tapping on government incentives to reduce costs when implementing sustainability initiatives and developments. This includes incentives from the Energy Market Authority, Monetary Authority of Singapore, and the Building and Construction Authority, such as the Genco Energy Efficiency Grant, Green and Sustainability-linked loans Grant Scheme as well as building schemes such as the Green Mark Incentive Scheme, among others.	• Increased cost savings using government schemes and initiatives to implement green initiatives. • Reputational benefits of implementing initiatives and use of government schemes.

Risk Management
As both climate change adaptation and emissions continue to be material factors for KIT, significant physical and transition climate-related risks and opportunities were evaluated for KIT's assets. Climate change and sustainability-related matters are considered as part of KIT's ERM framework.

The ERM framework, which forms part of KIT's System of Management Controls, provides a holistic and systematic approach to risk management. It guides KIT in assessing key risks (including its likelihood and impact) and identify mitigating actions to respond to these risk drivers. This enables the Trustee-Manager to respond promptly and effectively amid the constantly evolving business landscape, including emerging ESG risks and opportunities.

The effectiveness of mitigating actions is evaluated on an ongoing basis. The Board has put in place the Risk Tolerance Guiding Principles for the Trustee-Manager and KIT, which serve to determine the nature and extent of significant risks that the Board is willing to take in achieving its strategic objectives. The scenario analysis that was conducted will be integrated into the ERM process.

The Trustee-Manager, together with its operational and maintenance contractors or appointed contract professionals, will continue to review and assess threats that could disrupt operations, including extreme weather events.

More information on KIT's risk management strategy and processes can be found on pages 201 to 202.

Metrics and Targets
KIT tracks its greenhouse gas (GHG) emissions following the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard, in alignment with KIT's equity share approach.

Following the Scope 3 emissions screening exercise in 2021 to better understand KIT's carbon footprint and opportunities for reduction, the Trustee-Manager has expanded KIT's Scope 3 disclosure to cover all relevant categories in this report, a step up from the seven categories shared in the previous report.

The Trustee-Manager has a target to reduce carbon emissions intensity by 30% by 2030 based on 2019 levels, and is looking to set an absolute emissions reduction target in the longer term. Corresponding to its emissions target, it also aims to increase its portfolio exposure to renewable energy by up to 25% of Assets Under Management (AUM) by 2030. To achieve this, the Trustee-Manager will progressively increase its ownership in renewable assets and reduce its exposure to heavy carbon emission emitters, while leveraging technology innovation to increase the energy efficiency of its existing portfolio.

It continues to work on reducing GHG emissions by focusing on energy optimisation efforts and increasing the use of renewable energy at its assets.

In 2022, carbon emissions intensity decreased by 20% relative to 2019 levels. KIT's exposure to renewables also grew from 0% to 10% AUM, making steady progress towards its 2030 targets.

For more information on KIT's GHG emissions, please refer to page 50.

Expanded Portfolio in the Energy Transition and Environmental Services Segments

Progressing with Decarbonisation Roadmap
Carbon emissions intensity reduced by 21% YoY to 8,585 tCO_2e/$m, an approximately 20% drop from 2019 levels.

Increased Exposure to Renewables
From 0% to approximately 10% of AUM as at 31 December 2022.

Spotlight
Innovative Green Energy Solutions

Taking Big Steps Towards Green Hydrogen
City Energy has embarked on studies in partnership with industry counterparts to evaluate the technical and commercial feasibility of the application of green hydrogen in town gas production, importation, and storage in Singapore. Through these studies, City Energy hopes to develop a long-term stable supply chain of sustainable liquid hydrogen.

In addition, City Energy has signed an MOU with Sydrogen to study the Proof of Concept (PoC) of generating an end-to-end hydrogen fuel cell solution for off-grid power supply, utilising high-purity hydrogen extracted from the town gas produced by City Energy. The PoC seeks to demonstrate that hydrogen fuel cells can be used as an off-grid decentralised means to augment grid infrastructure upgrades that support large-scale EV charging in the future.

Exploring Low Carbon Solutions for Water Desalination and Treatment
KIT partnered its sponsor, Keppel Infrastructure, to explore and pilot low carbon solutions at its water plants. The parties will explore the sequestration and utilisation of carbon, in combination with the capture and utilisation of hydrogen, from seawater.

The pilot project will investigate the potential enhancement of electrochemical processes used in water treatment, where by-products such as chlorine and precipitates can be respectively reused for water disinfection and to produce green construction material. The softened seawater can then be desalinated using less energy and chemicals.

Waste Management

Management Approach

The Trustee-Manager seeks to ensure responsible waste management and minimise waste generation by adopting circular solutions like waste-to-energy (WTE). Waste generated by KIT's assets are mostly non-hazardous. Any hazardous waste will be collected by licensed third-party professionals and treated before being disposed at authorised sites designated by local authorities such as the National Environment Agency (NEA) of Singapore.

KIT's impact on waste management also stems from how it innovates and optimises waste management processes at the Senoko and Keppel Seghers Tuas WTE plants. WTE plants reduce the volume of waste significantly by turning them to ash, diverting them from landfills in Singapore. Energy is recovered during the WTE operations via combustion steam that can be used to produce electricity. Scrap metal is also collected at the WTE plants to be recycled.

Performance and Progress

KIT's portfolio of assets generated a total of 114,000 tonnes of non-hazardous landfill waste, a 29% decrease from 2021, as a result of maintenance works performed at the WTE plants. This represented a 87% (excluding waiver period) diversion of waste from landfill, just shy of the 90% target.

Scrap metal recycled remained relatively constant at 6,000 tonnes in 2022 compared to 2021. This represented a 72% recovery rate from bottom ash, achieving the 70% recovery rate target.

In 2022, the Trustee-Manager completed the acquisition of Eco Management Korea (EMK), a leading waste platform in South Korea, with diversified business operations across solid and liquid waste management, and landfill. EMK operates six waste-to-energy (WTE) plants and five sludge drying facilities. The acquisition enhances KIT's waste management capabilities in its portfolio and taps on the Keppel Group's existing expertise in managing WTE and water treatment facilities.

Water

Management Approach

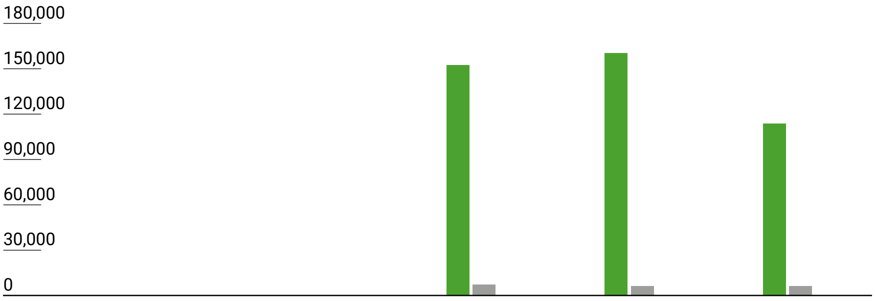
With climate change putting more pressure on water quality and availability, it is essential to ensure the sustainable management of water so that communities and businesses continue to have access to secure and safe water supplies. KIT's water management efforts focus on water conservation, and the Trustee-Manager is also exploring innovations that aim to safeguard the long-term availability of clean water.

The Trustee-Manager prioritises the efficient use of water across its assets by adopting water-efficient equipment, technologies and processes. For example, seawater is used at KMC to cool its generators, while recycled water is used at Senoko WTE Plant to wash and cool machineries. Rainwater is used at Philippine Coastal for its oil water separators. City Energy's innovative water recycling system involves collecting water condensate from the medium-pressure cyclic gas-making plants for reuse in the cooling tower, which contributes to 10% savings in water consumption annually.

KIT's water management strategies are also aligned with the mission of PUB, Singapore's National Water Agency, which is to ensure an efficient, adequate and sustainable supply of water for Singapore. Through the ownership of the SingSpring Desalination Plant and the Keppel Seghers Ulu Pandan NEWater plant, KIT directly contributes to Singapore's freshwater supply by generating potable water from seawater as well as highly treated reclaimed water. In June 2022, the Trustee-Manager signed a non-binding term sheet in June 2022 to acquire a 50% stake in the Keppel Marina East Desalination Plant, Singapore's first and only large-scale dual mode plant. The plant can treat seawater or rainwater drawn from the Marina Reservoir, and has an innovative design of situating its treatment equipment completely underground while featuring a lush green rooftop for community recreation.

In Australia, through Ixom, KIT contributes further to water security by producing chemicals and supplying solutions that are crucial to upstream water treatment processes.

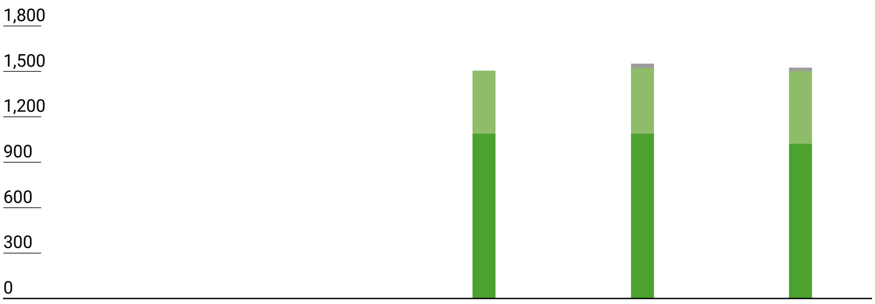
Waste to Landfill and Scrap Metal Recovered



	2020	2021	**2022**
Waste to Landfill	153,000	161,000	**114,000**
Scrap Metal Recovered	7,000	6,000	**6,000**

Note: The figures have been rounded off to the nearest thousand.

Total Water Consumption



	2020	2021	**2022**
NEWater	1,092	1,094	**1,027**
Potable Water	418	433	**480**
River Water	–	28	**22**
Total	1,510	1,555	**1,529**

Note: The figures have been rounded off to the nearest thousand.

Environmental Stewardship

Ixom developed its Environmental, Social and Governance (ESG) strategy, framework and roadmap in 2022. A number of key initiatives have commenced, including establishing Scopes 1, 2 and 3 emission baselines, undertaking a Physical Climate Risk Assessment and refreshing its Diversity and Inclusion Policy and practices.

Seeking to reduce the environmental impact of producing clean water, the Trustee-Manager signed an MOU with Keppel Infrastructure to explore low carbon water solutions at the SingSpring Desalination Plant and the Ulu Pandan NEWater Plant in 2022. Beyond the exploration of the sequestration and utilisation of carbon, the partnership also includes the study of technologies that can help to improve the efficiency and sustainability of the plants' operations in desalination, water reuse and wastewater treatment.

The Trustee-Manager is committed to ensuring compliance with environmental regulations and standards to minimise the potential negative impact of operations on local ecosystems.

The Trustee-Manager also recognises its responsibility to manage water discharge from its operations responsibly to prevent any negative water-related impact on the local ecosystem and ensure that any trade effluent discharge is in compliance with environmental laws and regulations.

Performance and Progress

KIT sources most of its water from municipal water supplies such as PUB or from water produced at its water plants. It sources a small percentage of water (<2%) from rivers and underground streams at its facilities at Ixom and Philippines Coastal for occasional use in cooling towers. The Trustee-Manager ensures that KIT's water withdrawal does not significantly impact any water sources.

In 2022, the KIT portfolio consumed a total of 1,529 megalitres (ML) of water to support its operational needs, of which 1,027 ML (almost 70%) was NEWater, which is reclaimed wastewater produced at its NEWater plant. The decrease of 2% in water usage compared to 2021 is mainly due to the additional maintenance works at UPNP. The Trustee-Manager seeks to increase the amount of water recycled and reused within its operations. In 2022, 317 ML were recycled, representing more than 20% of the water used. For example, a significant amount of effluent water is recycled at the Senoko WTE Plant through an innovative filtration system that consists of several layers of porous media resting on a drainage gravel layer, acting as a support medium for the entire system and allowing for backwash to be carried out effectively. The filtered water is subsequently transferred to the service water basins to be reused for ash quenching and fire prevention.

KIT discharged a total of 41,481 ML of water in 2022, of which 25,076 ML was discharged into surface waters and 16,405 ML was discharged into sewers that lead to rivers, treatment facilities and/or groundwater.

All effluent discharged to water courses or sewer systems is treated in compliance with applicable country-specific environmental standards, requirements and limits. The Trustee-Manager conducts impact studies and designs outfalls to ensure that discharge water does not significantly impact the environment. There were no incidents of trade effluent discharge leading to regulatory actions in 2022.

Environmental Protection

Management Approach

The nature of operations at some of the assets in KIT's portfolio means there can be significant environmental impact from emissions and effluents. The Trustee-Manager is committed to ensuring compliance with environmental regulations and standards in order to minimise any potential negative impact of operations on local ecosystems.

The Trustee-Manager implements best practices to assess and mitigate potential environmental impacts and risks. This includes adopting internationally recognised standards, such as the ISO 14001 certification to validate industry-leading environmental performance. A list of KIT assets and businesses that have attained the sustainability certifications can be found on page 48.

All of KIT's operations conduct an Environmental Impact Assessment (EIA) prior to the commencement of operations. Based on the results of the EIA, as well as water quality test reports, air emission sensor readings and monthly operations and maintenance reports, the potential impact on the environment and local communities are identified. Environmental baseline studies will also be conducted for high-risk sites and monitoring systems have been put in place.

Regular operational meetings and incident monitoring also help the Trustee-Manager ensure that all emissions and effluents from the KIT portfolio are within the approved regulatory limits, and in compliance with applicable environmental regulations and standards.

KIT has in place a set of incident reporting procedures that must be applied by all assets with operational control in the event of an incident with negative environmental impact. It will inform and work with relevant authorities to remediate any negative impact as needed.

Performance and Progress

Emissions from KIT's Singapore assets are managed by Keppel Infrastructure, which is KIT's sponsor and O&M contractor.

In 2022, the highest level of nitrogen oxide (NOx) emitted was 319 mg/Nm^3 while highest level of sulphur oxide (SOx) emitted was 135 mg/Nm^3. Both are well below the limits stipulated by the NEA's Environmental Protection and Management (Air Impurities) Regulations, which are 700 milligrams per normal cubic metre (mg/Nm^3) and 500 mg/Nm^3 respectively. Highest level of particulate matter (PM) emitted was 23 mg/Nm^3, which is also far below the NEA emission standard of 100 mg/Nm^3.

There were no incidents of non-compliance with environmental laws and regulations reported in 2022.

Please refer to page 59 of the Water section for more information on effluent discharge.

Responsible Business

The long-term sustainability of KIT's business is driven by a strong commitment to responsible business practices and is core to its ability to deliver value to its stakeholders.

Economic Sustainability

Management Approach

As a listed business trust, the Trustee-Manager has a fiduciary duty to deliver sustainable and stable returns to its Unitholders. This long-term goal is achieved through a combination of recurring distributions and capital appreciation and is supported by continued portfolio growth, driving operational excellence in its businesses and assets, while maintaining an optimal capital structure.

Its portfolio of strategic businesses and assets supports the transition to a low-carbon economy, provides the essential services that protect human health, safeguards the environment, and supports the circular economy, driving economic growth.

The Trustee-Manager integrates ESG considerations and practices into its corporate strategy and business operations to build resilience, manage risk and strengthen financial performance.

Performance and Progress

2022 was a transformational year for KIT. The Trust completed five acquisitions, growing total assets by 32% to $6.0 billion. The Trust:

- Participated in one of world's largest energy infrastructure deals with the investment in Aramco Gas Pipelines Company (AGPC).
- Made headways into the renewable energy market with two investments in wind assets across Europe.
- Acquired Eco Management Korea (EMK), a leading waste management platform in South Korea, drawing on proprietary expertise across the Keppel ecosystem.
- Enhanced operational continuity with the acquisition of the remaining 30% interest in the SingSpring Desalination Plant.

KIT also delivered a strong financial performance, with 26.6% growth in EBITDA to a record level of $402.0 million in FY 2022, supported by contributions from the new acquisitions, steady portfolio performance and another record year at Ixom.

Accordingly, Distributable Income increased by 15.8% to $222.5 million, and the Trust declared a 1% increase in distribution per Unit (DPU) to 3.82 cents for FY 2022.

More information on KIT's strategic direction and financial performance can be found on pages 6 and 32 to 33 of the Annual Report.

Corporate Governance

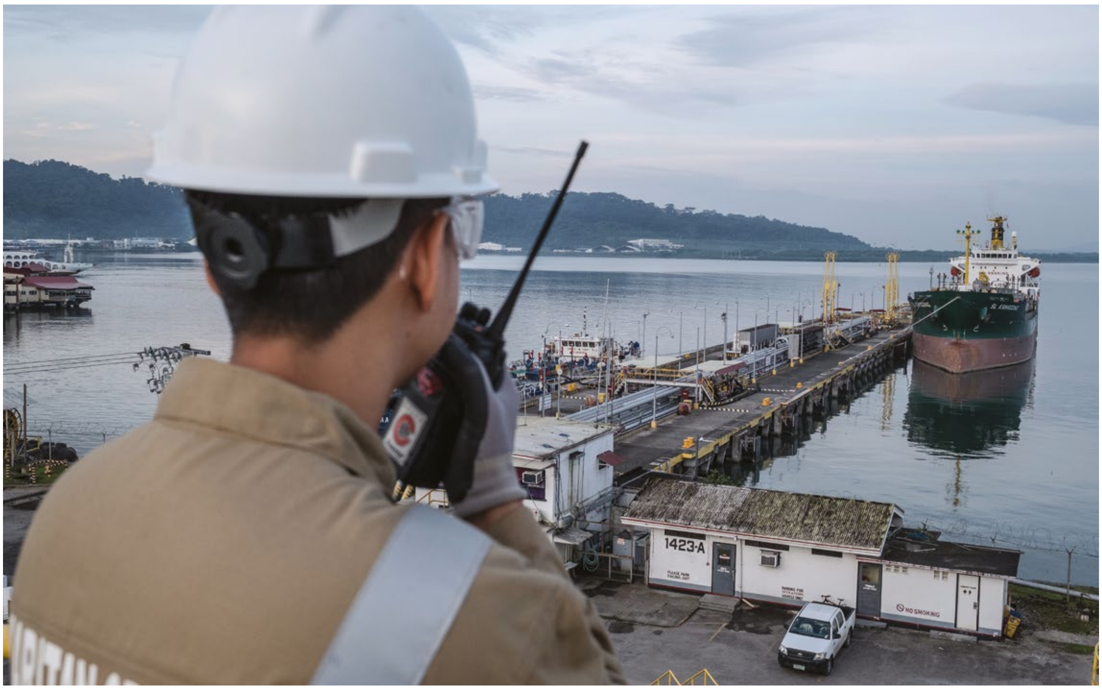
Management Approach

Strong corporate governance and robust risk management are key to building an environment of trust, transparency and accountability that fosters financial stability and safeguards the interests of its stakeholders.

The Trustee-Manager adopts the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore (MAS) as its benchmark for corporate governance policies and practices. The Trustee-Manager complies with the principles of the Code, and maintains high levels of transparency and accountability to stakeholders. The Code sets out how the Board should conduct its affairs and the appropriate level of independence and diversity in its composition, as key good corporate governance. Five out of six directors on the Board are Independent Directors.

To integrate sustainability into corporate governance, ESG factors are incorporated into the Trustee-Manager's corporate scorecard and remuneration.

The Trustee-Manager maintains a robust system of risk management and internal controls, in order to respond promptly and effectively amid the constantly evolving business landscape, including emerging ESG risks and opportunities.



The Trustee-Manager's portfolio of strategic businesses and assets supports the transition to a low-carbon economy.

Responsible Business

The Enterprise Risk Management Framework, which forms part of KIT's System of Management Controls, provides a holistic and systematic approach to risk management. The framework provides guidance in assessing key risks (including its likelihood and impact) and identifying mitigating actions to respond to these risk drivers. The effectiveness of mitigating actions is evaluated on an ongoing basis. The Board has also put in place the Risk Tolerance Guiding Principles for the Trustee-Manager and KIT, which serve to determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives.

More information on KIT's corporate governance guidelines and practices can be found on pages 167 to 200, and information on its risk management strategy and processes can be found on pages 201 to 202.

Ethics and Integrity

Management Approach

The Trustee-Manager has zero tolerance for corruption, bribery, fraud and unethical business practices. High standards of ethics and integrity, together with strong corporate governance, contribute to a trusted and stable environment for business conduct and investment activities.

The key policies that guide the Trustee-Manager in its business operations/conduct include the KIT Code of Conduct, Anti-Bribery Policy, Corporate Statement on Human Rights, Whistle-Blower Policy, Insider Trading Policy and Competition Law Compliance Manual. Collectively, they set out the principles of conduct that guides directors and employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with competitors, customers, suppliers, other employees and key stakeholders.

All employees are required to adhere to the KIT Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices.

As guided by the KIT Corporate Statement on Human Rights, the Manager upholds and respects the fundamental principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organisation's (ILO's) Declaration on Fundamental Principles and Rights at Work. Unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of our operations are not tolerated, and the Trustee-Manager supports the elimination of such exploitative labour. This approach also extends to the management of the Trust's supply chain. The human rights performance of business partners is considered, and suppliers are required to acknowledge that they have read and understood the Keppel Group Supplier Code of Conduct and are subject to audits when required.

All employees are required to adhere to the KIT Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices. The KIT Code of Conduct outlines the responsibilities of all employees to uphold anti-corruption and anti-bribery principles, and has defined ethical business standards for conflicts of interest, the offering and receiving of gifts, as well as hospitality and promotional expenditures. Employees are also required to declare potential conflict of interest and avoid any conflict in their dealings with suppliers, customers and other third parties. The Trustee-Manager's Competition Law Compliance Manual provides guidelines for its employees to avoid anti-competitive behaviour in its business activities.

As part of the onboarding process, new employees are required to declare conflicts of interest and are informed of the KIT Code of Conduct, Anti-Bribery and Whistle-Blower policies. These policies are communicated and reinforced to all employees on an annual basis through exercises such as online training courses and declarations of adherence to the policies. These policies are readily available to employees through an online portal.

The Trustee-Manager also implements policies that outline standards of conduct to which suppliers and their parent entities, subsidiaries, as well as affiliated entities and employees, must abide by. Third party associates (TPAs) of KIT, including joint venture (JV) partners, are required to acknowledge the KIT Code of Conduct, which includes anti-bribery and anti-corruption.

The Regulatory Compliance Governance Structure is in place to enhance overall corporate governance and manage anti-corruption efforts. The Board regularly reviews anti-corruption policies, updating, revising and implementing corrective measures as necessary. The Audit and Risk Committee (ARC) supports the Board in its oversight of regulatory compliance, in addition to implementing effective compliance and governance mechanisms.

KIT has a Whistle-Blower Policy which provides an independent mechanism where employees, customers, suppliers, and other stakeholders may raise concerns or report, in good faith, incidents of actual or suspected illegal and/or unethical conduct and violation of laws & regulations, without fear of reprisal. Any concerns or issues can be reported through the whistle-blower reporting channel operated by an independent third party. Matters under the policy are reported directly to the ARC Chairman.

To facilitate the management of incidences of alleged fraud or other misconduct, the ARC follows a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following the completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

The ARC reviews the Whistle-Blower Policy annually, with inputs from the Keppel Group Internal Audit team, to ensure a proper process for investigation and follow-up of any incident. See page 194 of the Annual Report for more details on the Whistle-Blower Policy.

The Trustee-Manager has a formal Insider Trading Policy on dealings in the securities of KIT, which sets out the implications of insider trading and guidance on such dealings. This policy is applicable to all the directors and officers of the Trustee-Manager. See page 184 of the Annual Report for more details on the Insider Trading Policy.

In addition to the Insider Trading Policy, the Manager has a Dealing in Securities Policy, which applies to all employees and the securities accounts that employees have a beneficial interest. Pursuant to this Dealing in Securities Policy, the trading of rights and the subscription of excess rights of KIT Units are subject to trade clearance/restrictions. See page 185 of the Annual Report for more details on the Dealing in Securities Policy.

Performance and Progress

All employees of the Trustee-Manager, including part-timers and contract staff, as well as senior management and Board of Directors received mandatory training on anti-corruption policies and procedures, as part of annual compliance training.

In 2022, there were no instances of non-compliance with laws or regulations, nor any incident of corruption, bribery or fraud that the Trustee-Manager is aware of.

Asset Quality and Safety

Management Approach

KIT's portfolio of assets and businesses provide essential services such as energy, water and town gas, making it critical to ensure consistent delivery of the highest quality and safety standards, to safeguard public health and safety and achieve high levels of customer satisfaction.

To do this, the Trustee-Manager works closely with government agencies and regulatory authorities who oversee the provision of public utilities such as electricity, water, and waste treatment, some of whom are also key customers of KIT.

The Trustee-Manager conducts regular meetings with operators and authorities to ensure compliance with regulations and proactively identify issues early. Assets are also certified to internationally recognised standards such as ISO 9001 and ISO 14001 (see page 48 for the list of certifications attained).

Business Continuity Plans are in place for all assets. These include emergency evacuation drills, rescue drills, flu-pandemic drills, power outage drills, etc. Regular maintenance and equipment upgrading works are planned to minimise and prevent operational or service disruption. The Trustee-Manager also conducts regular reporting, annual capacity tests and audits as necessary to ensure quality and reliability throughout the portfolio.

The operations teams at the businesses and assets engage with key customers to better understand their needs and ensure high levels of satisfaction. Key focus areas for customer satisfaction include O&M effectiveness, equipment condition, safety record and readiness to respond to emergencies, such as chemical spills, health pandemics, fire outbreaks, terror and cyber-attack threats. Some of the Trust's businesses also engage their customers through Customer Satisfaction Surveys to understand their needs, evaluate satisfaction levels and gain feedback for improvement.

Safeguarding physical and cyber security is key to ensuring quality and safety of the Trust's businesses and assets. More information on Physical Security of Assets and Cybersecurity can be found on pages 63 and 64 respectively.

Performance and Progress

In 2022, the Trustee-Manager fulfilled all contractual obligations related to the provision of services by its businesses and assets, with no major disruption to operations.

At City Energy, commercial, industrial and domestic customers are engaged through interviews to evaluate satisfaction levels and obtain feedback. Its overall customer satisfaction score was 3.5 out of 4 for 2022.

Physical Security of Assets

Management Approach

Ensuring the security of the Trust's physical infrastructure and assets is vital to the consistent delivery of essential products and services.

Some of KIT's businesses and assets in Singapore have been designated as Key Installations (KINS) by the Singapore Government due to their provision of nationally critical services such as energy, water and town gas. KINS assets require heightened security measures, such as armed security, strict access control, intrusion detection systems and advanced surveillance measures. Enhanced security support is also provided by national security forces, including the Singapore Police Force and the Police Coast Guard. The Trustee-Manager collaborates with government agencies and O&M contractors during rigorous scenario planning exercises, which are regularly updated and tested to ensure their effectiveness.

For all other assets, the Trustee-Manager ensures that strict measures are put in place for access control, surveillance and business continuity, as well as regular review and maintenance of site security systems.

Performance and Progress

At designated KINS, mandatory Red Teaming exercises are conducted by the armed security service providers to test the effectiveness of physical security systems at the plants. All exercises were concluded with a 100% success rate, demonstrating highest standards of physical security at the plants.

For all other assets, physical site risks are reviewed periodically. Regular BCP exercises and physical security audits were conducted at the assets. PCSPC also reinforced its site security with complete fencing of its boundaries during 2022.

There were no physical security breaches affecting the operations of KIT's businesses and assets in the reporting period.

Cybersecurity and Data Privacy

Management Approach

Cyber threats are becoming more prevalent, making it more critical than ever to ensure robust cybersecurity, data protection and privacy measures are well established to safeguard corporate systems and data.

The Trustee-Manager aligns its operations with the national cybersecurity strategy and implements key initiatives to protect critical information infrastructures against cybersecurity threats in Singapore.

Cybersecurity and data privacy are managed at the group level by the Keppel Group Cybersecurity team and Keppel Capital's IT team, including monitoring of cybersecurity incidents. An overarching Keppel IT Governance Framework is in place to ensure business resiliency through the enhancement of IT Security Operations Centre (SOC) capabilities and IT infrastructure transformation to address the increasing frequency of cyber security attacks.

KIT adopts the Keppel Group Technology and Data Risk Management (TDRM) standards and framework. The TDRM framework assesses the risks of information technology and operational technology systems, including technology, data and cyber risks, and provides guidance to develop and implement risk mitigation and control measures that commensurate with the criticality of the information assets. Policies and procedures governing the monitoring and management of cybersecurity incidents are reviewed on an annual basis for effectiveness.

The policies in place include :

a. Cybersecurity incidents must be assigned to the cybersecurity incident response team.
b. All risks including technology, data and cyber risks must be considered in the annual assessment of risk.
c. Compliance with cybersecurity is documented in agreements with vendors.
d. For projects, system security requirements should be identified based on applicable compliance requirements and cyber security risk profile of the systems.
e. Policies and procedures governing the management of cyber incidents from preparation, identification, tracking and closure are established and reviewed on an annual basis for efficiency and effectiveness.

Regular advisories and training, including an annual mandatory training on cyber security threats, policies and good practices are conducted to reinforce the adoption of good cyber hygiene by employees.

Performance and Progress

In 2022, Keppel Group conducted a series of cybersecurity training and awareness sessions for all employees, including the Trustee-Manager's employees. The training sessions covered awareness of cybersecurity threats and timely reporting and resolution of potential security incidents.

There were no substantiated complaints received concerning breaches of customer privacy, nor any leaks, thefts, or loss of customer data identified in 2022.

The Trustee-Manager will continue to review and assess its suppliers and contractors to encourage the adoption of strong sustainability practices throughout the supply chain.

Sustainable Supply Chain Management

Management Approach

KIT's supplier base consists mainly of providers of professional services, IT hardware and services, transportation services, equipment, and chemicals, who are generally based in KIT's respective locations of operations. To ensure a resilient and responsible supply chain, the Trustee-Manager assesses the sustainability and responsibility of its suppliers in addition to the business value that they offer.

Potential suppliers undergo rigorous screening to evaluate reputation, track record of service quality, safety and alignment with KIT's sustainability criteria.

All major suppliers providing products or services valued at $200,000 or more in a calendar year are required to sign and adhere to the Keppel Group Supplier Code of Conduct, which reinforces the principles of responsible business practices between employees and suppliers. The Keppel Group Supplier Code of Conduct covers areas pertaining to business conduct, labour practices, safety and health, as well as environmental management.

All contractors are required to comply with all applicable laws and regulations during their engagement with the Trustee-Manager. Regular engagements with contractors are conducted to evaluate their performance against quality, safety standards and KIT's sustainability criteria.

The Trustee-Manager will continue to review and assess its suppliers and contractors to encourage the adoption of strong sustainability principles throughout the supply chain, including adherence to the Keppel Group Supplier Code of Conduct in their business conduct, labour practices, safety and health, as well as local environmental regulations.

Performance and Progress

There were no known instances of non-compliance with any applicable regulations regarding human rights and labour practices throughout KIT's supply chain.

The Trustee-Manager will continue to review and assess its suppliers and contractors to encourage the adoption of strong sustainability principles throughout the supply chain, including adherence to the Keppel Group Supplier Code of Conduct, labour practices, safety and health, as well as local environmental regulations.

People and Community

We are committed to support the development and wellbeing of our people and communities, wherever we operate.

Human Capital Management

Management Approach

A talented and engaged workforce is key to the continued growth and success of a business. The Trustee-Manager seeks to establish itself as an employer of choice by providing a fulfilling and rewarding work environment and facilitating a conducive culture for open collaboration and innovation.

Its people agenda focuses on talent attraction and management, succession planning, learning and development, as well as employee engagement. The Trustee-Manager encourages its employees to make a positive impact in the community through five key areas:

Five Key Areas for Building Human Capital

Making a Difference
Provide platforms for employees to contribute to communities.

Having a Voice
Encourage employees to engage in company conversations and sharing of ideas for improvement.

Feeling Valued
Foster a culture of recognition, appreciation and emphasis on employee wellbeing.

Growing a Career
Enhance career development by providing pathways for skills acquisition.

Inspiring Growth
Provide platforms for leadership development and encouraging employees to lead by example.

Performance and Progress

Employee Profile

As at end-2022, the Trustee-Manager has 16 full-time permanent employees, comprising seven females and nine males. The dedicated asset management and finance headcount are seconded from Keppel Capital to the Trustee-Manager.

Five employees who were transferred within Keppel Capital, mainly as part of a reorganisation exercise to leverage the strengths of an expanded investment team. The Manager will continue to be fully supported by the expanded team to drive continuous growth.

The Trustee-Manager continues to be supported by Keppel Capital's workforce in functions such as investor relations and sustainability, risk and compliance, human resources, information technology, as well as legal and corporate secretarial services. None of the Manager's employees are currently covered under any collective bargaining agreements.

More information on the Manager's Board of Directors and management team is available on pages 14 to 16.

Talent Attraction and Management

The Trustee-Manager believes in a multi-pronged approach to build talent streams from entry to mid-career levels, to meet the requirements of the business. Talent is sourced from varsity level and groomed through careful selection of development approaches including coaching and mentoring from experienced leadership and board members. Experienced hires are added to the talent pool to address skill gaps. This strategy brings about a diverse workforce with an experienced senior team mentoring young talents and helps to create a pipeline for future leadership.

The Trustee-Manager offers competitive compensation and comprehensive benefits to all Singapore-based full-time employees. These benefits include life and health insurance, healthcare benefits, disability and invalidity coverage, annual, medical and parental leave entitlements, as well as contributions to the local pension fund i.e., the Central Provident Fund in Singapore.

The Trustee-Manager has a robust performance management framework which is aligned to its strategy, targets and values. Targets for senior leaders are set using a balanced scorecard approach. In equal importance to financial targets are non-financial targets, such as health, safety, employee wellbeing, environmental and governance. For the broader employee base, the framework supports career planning and development through regular performance reviews that serve as a platform for employees to have a dialogue about their career goals, work satisfaction and developmental needs with their supervisors. Goals and targets are set around four key areas of financial, process, customers and stakeholders, and people. These reviews help determine development opportunities, training, promotion, and compensation for employees. In 2022, 100% of the eligible Trustee-Manager's employees received annual performance and career development reviews.

New Hires and Turnover By Gender and Age Group in 2022

	New Hire		Turnover[1]	
	No. of Employees	Rate (%)	No. of Employees	Rate (%)
By Gender				
Male	2	13	2	13
Female	0	0	1	6
By Age Group				
<30 years old	0	0	0	0
30 to 50 years old	2	13	3	19
50 years old & above	0	0	0	0

Note: Numbers are reported based on full-time equivalent (FTE).

[1] Excludes the transfer of five employees within Keppel Capital, mainly as part of a reorganisation exercise.

People and Community

The Trustee-Manager also seeks to develop talent from within by identifying capable and high-potential employees for internal opportunities through its talent management process and preparing them for leadership responsibilities. To nurture young talents, the Trustee-Manager participated in the Keppel Group internship programme to help students gain valuable industry experience.

As part of its strategic workforce planning, the Trustee-Manager embarked on a Talent Mapping exercise in 2022. The objective was to assess its current capabilities and to identify future capabilities needed to drive and execute the Trust's long-term strategy. Using people analytics, the exercise provided the Trustee-Manager the opportunity to take stock of the skills, experience and mindsets needed in its workforce, identify talent gaps and develop action plans to address the gaps. Development, redeployment and recruitment decisions were made with the insights gathered from the exercise. Moving forward, talent mapping will be an ongoing and iterative process to support the Trustee-Manager's future needs.

Facilitating career mobility within the company helps to build the talent pipeline, while supporting employees' ambitions and professional development. The 'UP' framework has been developed and applied to enable this.

Collectively, the 'UP' framework aims to build a high-performance culture by helping employees realise their career aspirations through the Keppel support structure, which includes training and learning courses available internally and externally.

UP Framework: Upskill, Uplift, Upstream

Upskill
Development of employees' organisational agility and growth mindset through skills upgrades and exposure to different roles in preparation for growth opportunities.

Uplift
Encouraging career mobility across the Group as part of the OneKeppel culture and aligning employees' career ambitions with Keppel's purpose.

Upstream
Building employee resilience and engagement through inculcating the Keppel *Can Do* spirit.

Learning and Development

To help employees gain essential knowledge and develop competencies to advance their careers and meet future needs of the business, regular training opportunities are provided. Employees discuss their training needs with their supervisors and identify skills gaps using a skills navigation tool implemented by HR.

To ensure employees remain competitive amid a changing landscape, employees were encouraged to attend talks related to digitalisation and sustainability at the Global Learning Festival and Keppel Capital Learning Festival held in 2022. There were also hands-on programmes to equip employees with skills to help them remain future-ready, and these include courses on Python Programming, Structuring PowerPoint for Communication Excellence, and Power BI. The importance of digital skills is impressed upon employees who are encouraged to attend WSQ SkillsFuture programmes, such as Robotics Process Automation, Artificial Intelligence and Machine Learning.

To cater to different learning styles and needs, bite sized on-demand learning is also made available through LinkedIn Learning. A digital library of over 16,000 courses covering a wide range of topics is made available to all employees through this platform.

In 2022, KIT achieved an average of 23.7 hours of training per employee, up from 9.2 hours in 2021, meeting the Manager's target to achieve at least 20 hours of training per employee on average.

Employees were encouraged to attend the Global Career Festival to continue upskilling themselves and take charge of their professional development. Organised by the Keppel Group, the Global Career Festival consisted of talks by industry leaders and senior management.

There is also an employee development scheme that supports employees who aspire to upgrade themselves with higher professional certifications relevant to their careers. Under the Flexible Benefits Programme, employees can claim fees incurred for personal development or enrichment courses, such as MBA or degree programmes, financial planning courses, etc.

Succession Planning

The Trustee-Manager has a succession planning and talent management process aimed at identifying and developing future leaders to build a robust bench strength for ensuring business continuity.

Average Training Hours per Employee by Gender

Average Training Hours per Employee by Employee Category

1 Managerial includes Senior Management and Heads of Department.

The KEP ("K"apacity, Execution, People) framework is used to identify and develop leadership potential in employees. The same framework is also used to evaluate existing and incoming talents who are new to the team.

Regular reviews are carried out using a bespoke Leadership Potential Assessment tool to identify high potential employees involving both Line Managers and Senior Management, demonstrating our commitment to leadership development. Succession plans are in place for key management positions of the Trustee-Manager. These plans are tabled and discussed at Nominating and Remuneration Committee meetings. In addition, there are platforms for board members to interact with potential successors and younger talent. Succession planning is also part of senior management's yearly targets.

The Trustee-Manager leverages Keppel Group's centralised talent management platform to support its efforts in driving leadership and executive development. There are multiple platforms within the Keppel Group eco-system including the Keppel Internship Programme, Keppel Associate Programme, Keppel Young Leaders, Emerging Leaders Programme, Advanced Leaders Programme and Keppel Fellows. Through these programmes, talent across the different business units learn and grow, build connections and form friendships which help strengthen collaboration.

As part of the talent development initiatives, People Managers are invited to participate in the Executive Conversation Series to hone their leadership and people management skills. The series targets areas such as building trust, influence, empowerment, accountability and change. These sessions focus on practical applications and its effectiveness is measured through identified metrics.

Engaging Employees

The past three years of COVID-19 restrictions and safe management measures have changed the way we live, work and play. The easing of restrictions and opening of borders in 2022 have paved the way for greater collaborations as employees return to the office, and pre-pandemic work practices have also resumed. Recognising employees' desire for continued flexibility on work arrangements, the Trustee-Manager rolled out remote working arrangements which balances flexibility with building team camaraderie and collaboration, both of which are important to build a sense of belonging and spur innovation for the business.

At the same time, it is more important than ever to engage employees and provide them an outlet for feedback. A yearly employee engagement survey was carried out by an external independent survey provider. The engagement score for 2022 remained strong at above 75%. The results of the survey provided insights for the Trustee-Manager to refine its strategies on innovation and agility, collaboration, sustainability, people development and employee engagement.

Focus group discussions were carried out to garner in-depth feedback on areas identified for action through the survey results, followed up by the formulation of action plans. Progress on these were shared with employees during staff townhall meetings, reinforcing management's commitment to build a listening and open communication culture.

Along with the easing of safe management measures, in-person employee engagement activities such as team bonding activities, tea sessions with senior management and teams, as well as townhalls were resumed.

Along with the easing of safe management measures, in-person employee engagement activities such as volunteer activities resumed.

In July, a series of Tea Sessions were held to foster closer bonds among employees. Such informal forums gave employees opportunities to know each other better outside of work. In August 2022, employees also went for their first overseas offsite, since the onset of the pandemic. Employees based in different geographical locations had the chance to meet in person, and bond through various teambuilding activities, forging stronger relationships.

As part of Keppel Group's Appreciation Month in August, a breakfast gathering was organised, where senior leaders served breakfast to all employees to show their heartfelt appreciation for employees' steadfast commitment and grit. An Appreciation Board was set up for all to dedicate thank-you notes to one another. There was also a K'Tunes session organised, for employees to express their appreciation to their colleagues through song dedications and messages performed by a musical duo.

Diversity and Inclusion

Management Approach

The Trustee-Manager strives to ensure equal opportunities in hiring, career development opportunities, promotion, and compensation. It believes that fostering an inclusive workplace culture enables a diversity of voices and ideas to drive innovation and value creation, as well as a more conducive

Percentage of Males and Females per Employee Category (%)

	2022		2021		2020	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Board	66.7	33.3	66.7	33.3	83.3	16.7
Managerial[1]	100.0	–	100.0	–	100.0	–
Executive	46.2	53.8	52.6	47.4	52.9	47.1

Percentage by Age Group per Employee Category (%)

	2022			2021			2020		
	<30 years old	**30 to 50 years old**	**50 years old & above**	**<30 years old**	**30 to 50 years old**	**50 years old & above**	**<30 years old**	**30 to 50 years old**	**50 years old & above**
Board	–	–	100.0	–	–	100.0	–	–	100.0
Managerial[1]	–	66.7	33.3	–	66.7	33.3	–	50.0	50.0
Executive	30.8	69.2	–	36.8	63.2	–	35.3	64.7	–

[1] Managerial includes Senior Management and Heads of Department.

People and Community

Female Representation

33.3%

Female directors on the Board

environment for professional and personal growth of employees.

The Trustee-Manager adheres to the Tripartite Guidelines on Fair Employment Practices and strives to uphold the Employers' Pledge of Fair Employment Practices, which is guided by the five principles below:

1. Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), and regardless of age, race, gender, religion, marital status and family responsibilities, or disability;
2. Treat employees fairly and with respect, as well as implement progressive human resources management systems;
3. Provide employees with fair opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential;
4. Reward employees fairly based on their ability, performance, contribution and experience; and
5. Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices.

The Trustee-Manager has zero tolerance for discrimination of any kind. Principles of human rights and anti-discrimination are further reinforced by the KIT Code of Conduct. The Corporate Statement on Human Rights and Corporate Statement on Diversity and Inclusion articulate the Trustee-Manager's stance on human rights, diversity and inclusion. These statements, as well as the KIT Code of Conduct, are available on the Trust's corporate website.

Performance and Progress

The Trustee-Manager has made progress in increasing female representation on the Board since 2021 and has maintained its target of at least 30% of female representation on the Board.

The Trustee-Manager continues to promote diversity and inclusion in the workplace. This includes the provision of education and awareness on diversity and inclusion through e-learning courses via Keppel Digital Learning.

The Trustee-Manager provides parental leave entitlements to eligible employees and encourages both men and women to take the leave without prejudicing their employment security and career path. Through this, it also hopes to encourage equitable sharing of parental responsibilities.

The Trustee-Manager has also put in place effective procedures and processes for the reporting of incidents of discrimination based on its Whistle-Blower Policy (see page 194) and responds to all reports in a timely manner. The Trustee-Manager is committed to remediating the incidents raised, upholding the effectiveness of the incident-reporting process.

There were no incidents of discrimination reported in 2022.

Employee Health and Wellbeing

Management Approach

The Trustee-Manager is committed to ensuring the health, safety and wellbeing of its employees and those employed by the businesses and assets under KIT's portfolio, some of which conduct high-risk operations.

Occupational health and safety is a core aspect of business responsibility and among the Trustee-Manager's top priorities. To provide a safe work environment, KIT adopts the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities through five strategic thrusts, namely, building a high-performance safety culture, adopting a proactive approach to safety management, leveraging technology to mitigate safety risks, harmonising global safety practices and competency, as well as streamlining learning from incidents.

The KIT Health, Safety, Security and Environment (HSSE) Policy is adopted at its business premises and operations where the Group has effective control and influence. The KIT Board ESG Committee (BEC) oversees and ensures that KIT's safety policies and practices are communicated, implemented, and reviewed across all businesses and assets. The BEC meets quarterly to review safety performance and initiatives, as well as conducts periodic safety site visits to all KIT operational sites, ensuring that safety will remain a top priority in the overall operations and strategic direction of KIT.

Risk assessments are conducted at KIT's businesses and assets for hazard identification and to put in place mitigation plans for minimising risks. Regular audits are also conducted by qualified HSSE personnel and independent consultants to ensure the effectiveness of its safety management systems. All HSSE accidents, incidents and near-misses are to be reported and investigated in a timely manner in accordance with the HSSE Incident Reporting and Investigation Procedure, with root cause analysis conducted and lessons learned disseminated to prevent recurrence.

The Trustee-Manager works closely with its operational and maintenance contractors to ensure the implementation of HSSE best practices and the integration of HSSE measures within operational and maintenance procedures. City Energy, as well as one of our operators, Keppel Seghers Engineering Singapore, are also BizSAFE partners.

Some of KIT's businesses and assets are classified as Major Hazard Installations (MHI) in Singapore. The Trustee-Manager ensures that safety management protocols and risk mitigation measures are in accordance with the Workplace Safety and Health (MHI) Regulations, in particular the Safety Case Regime.

To prevent all avoidable health and safety incidents and build a strong safety culture, the Trustee-Manager places a strong emphasis on communicating HSSE issues, procedures and risk mitigation measures.

Every employee of Keppel and its subsidiary companies is expected to comply with all safety policies and procedures. To prevent and mitigate safety incidents, workers at the assets are encouraged to be proactive, report any safety issues they encounter and stop unsafe acts, in line with the Keppel Group Stop Work policy. Regular safety toolbox meetings are held at the assets to encourage feedback on potential hazards and suggest improvements to the work environment. It is a requirement in the HSSE policy to report incidents within 24 hours, with a full incident report to be made available within two weeks.

The Trustee-Manager engages operators and contractors through regular monthly meetings, joint site inspections, sharing of lessons learned from near-miss incidents, annual roadshows, internal and external audits, improvement projects and regular performance reviews.

KIT's operational and maintenance partners are expected to implement and engage in various communication and training efforts. Safety training and guidance are based on KIT's five Key Safety Principles:

1. Every incident is preventable;
2. HSE is an integral part of our business;
3. HSE is a line responsibility;
4. Everyone is empowered to stop any unsafe work; and
5. Strong safety culture is achieved through teamwork.

Refresher safety training sessions are conducted to ensure employees remain up to date on HSSE policies and procedures. In addition, regular safety drills and annual global safety time-outs are also conducted at all KIT's businesses and assets.

Safety Certifications and Awards

Business/Asset	Award
City Energy	Workplace Safety & Health Council (WSHC) BizSAFE Level Star
	SS 651: 2019 safety and health management system for the chemical industry
	ISO 45001
	Keppel Group Safety Convention: Individual Award
	Workplace Safety & Health Council (WSHC) BizSAFE Champion Award
Keppel Merlimau Cogen Plant	ISO 45001
Keppel Seghers Tuas WTE Plant	ISO 45001
Senoko WTE Plant	ISO 45001
Keppel Seghers Ulu Pandan NEWater Plant	ISO 45001
SingSpring Desalination Plant	ISO 45001
	Workplace Safety & Health Council (WSHC) BizSAFE Level Star
Ixom	Keppel Group Safety Convention: Executive Award
Philippine Coastal Storage & Pipeline Corporation	Keppel Group Safety Convention: Supervisor Award

	2022	2021	2020
Accident Frequency Rate (AFR)[1]	1.6	0.9	1.2
Accident Severity Rate (ASR)[2]	42.8	14.1	16.8
Total Recordable Incident Rate (TRIR)	3.9	2.9	2.3

Note: EMK statistics will be included wef 1 Jan 2023.

1 Reportable accidents per million man hours.
2 Man-days lost per million man hours. The Trustee-Manager stepped up efforts to drive safety performance across its portfolio. These initiatives include the tightening of safety Management of Change (MoC) procedures at its businesses and assets in accordance with the safety risk profile of the respective operating sites, as well as targeted training to improve manual handling and safety communications.

Performance and Progress
In 2022, the Trustee-Manager continued to meet its target to maintain zero fatalities across the KIT portfolio.

There were 10 reportable[1] work-related injuries incurred by workers at KIT's assets, which were minor slips, trips, sprains and burns that were sustained in the course of work.

To prevent the occurrence of similar incidents, the Trustee-Manager will continue to reinforce safety measures and work with the asset teams to improve safety performance. Learning and sharing sessions of incidents were also held to raise safety awareness and understanding.

To foster a strong safety culture, training sessions and drills were conducted across KIT's businesses and assets in 2022. At City Energy, regular drills such as confined space rescue drills as well as joint exercises with regulators were conducted. At Philippine Coastal, training sessions were conducted for workers on oil spill and fire responses. Safety audits were also completed at all sites.

All KIT assets in Singapore have complied with the heightened safety measures and mandatory time-out required by the Ministry of Manpower to carry out a thorough review of their safety procedures.

Supporting Employee Health and Wellbeing

The Trustee-Manager is dedicated to support employees' overall health and wellbeing beyond occupational health and safety. In addition to healthcare benefits, employees also have access to mental health and wellness programmes organised by the Keppel Group. To address the multifaceted aspects of employee wellbeing, certain months are designated as wellbeing months.

March was designated as Financial Wellbeing Month where the Group held webinars on topics such as sustainable investment, financial literacy and avoiding financial scams to raise awareness and provide staff with financial literacy.

Physical Wellness Month was held in June, and employees participated in a global steps challenge organised by Keppel Group to help them to stay fit and maintain a healthy lifestyle. Across the Group, numerous initiatives to promote physical wellbeing were also held, including exercise sessions and health webinars.

October was dedicated as a Mental Wellbeing Month in conjunction with Global World Mental Health Day. Activities organised took into account the impact of the pandemic on mental wellbeing and included mindfulness sessions, mental health art workshops, a Vibe Board which allows employees to interact with each other, as well as an Art Exhibition on Self-Care where nominated employees shared their thoughts on "What Self Care Means to You". Through the Employee Assistance Program, employees and their families are offered mental health support. The Singapore Counselling Centre offers face-to-face or online counselling with qualified counsellors on a confidential basis for employees and their dependents.

[1] Defined as "More than three Medical Certificate days or more than 24 hours hospitalisation".

Spotlight

Work Safety Recognition at the Keppel Group Safety Convention

KIT's assets were recognised for their efforts and innovation to improve safety performance at Keppel Group Safety Convention 2022, with the following projects highlighted.

City Energy: Digitalisation of Gas Installation Process for Enhanced Work Safety
- Enhances quality and safety control of gas installation works
- Ensures proper adherence to safe step procedures with verification in place

Ixom: Work at Height and Confined Space Entry Training Facility
- Provides safer and more consistent training for workers
- Safety showcase for all staff, including office-based staff, to understand work at height scenario

Safety Observation and Awareness Reporting (S.O.A.R.) Programme
- Contributes to promoting safety culture
- Increases employee engagement on safety by serving as a platform for suggestions and solution

> MDAS and Keppel Capital have come a long way since 2014 and we have collaborated on numerous projects and activities. Thank you for always being supportive towards this journey of partnership. Your continued support has strengthened MDAS to enable us to accomplish the dreams and vision of our members. We are so grateful, and we look forward to building an even closer rapport between Keppel Capital and our MD members.

Judy Wee, Executive Director of MDAS

Community Development and Engagement

Management Approach

As a responsible corporate citizen, the Trustee-Manager believes in contributing to the local communities wherever it operates. Through supporting community initiatives via charitable donations and participating in community engagement activities, the Trustee-Manager uplifts the underprivileged and promotes environmental stewardship.

To encourage participation in Corporate Social Responsibility (CSR) and community initiatives within the Keppel Group, employees are provided with two days of paid volunteerism leave each year. The Trustee-Manager also encourages employees at its businesses and assets to give back to communities.

Performance and Progress

In 2022, KIFM and KIT contributed approximately $168,000 in donations to support various philanthropic initiatives and community needs.

The Trustee-Manager, together with Keppel Capital, dedicated more than 1,000 hours to support community outreach activities during the year.

Uplifting beneficiaries of MDAS

Keppel Capital continued to partner its adopted charity, the Muscular Dystrophy Association of Singapore (MDAS) to engage and bring cheer to its beneficiaries.

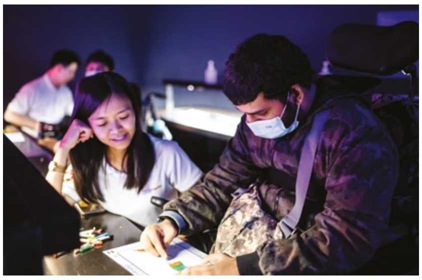
Together with Keppel Capital, the Trustee-Manager participated in various engagement activities with MDAS beneficiaries, including excursions to River Wonders and the ArtScience Museum, an ice-cream workshop, as well as a year-end superheroes-themed carnival.

River Wonders

In June, Keppel Capital organised a trip to River Wonders, Singapore's river-themed zoo and aquarium, for MDAS beneficiaries. Keppel Capital volunteers brought the beneficiaries to various attractions such as the panda exhibit and animal show.

Ice Cream Workshop

Keppel Capital volunteers and MDAS beneficiaries had an afternoon of fun and learning at an ice-cream workshop at Carrara Café, where they learned the history of ice-cream and experienced making ice-cream from scratch. They ended the day on a sweet note with a buffet of ice-cream and waffles to indulge in.



ArtScience Museum

Keppel Capital volunteers brought beneficiaries from MDAS on an excursion to the ArtScience Museum to experience a dazzling display of visual and interactive arts. They also created their own masterpieces to upload on an interactive wall.

Year-End Carnival

To celebrate the year-end festivities, the Keppel Capital team organised a superheroes-themed carnival for MDAS beneficiaries. The carnival featured a magic show, games, and various fringe activities such as glitter tattoos and balloon sculpting. A best dressed contest was also held as the beneficiaries dressed up as their favourite superheroes.

Tree planting at Labrador Nature Reserve: As part of the Keppel Group's pledge in 2020 to plant 10,000 trees in Singapore over five years in parks and nature reserves in Singapore, employees participated in a tree planting event to plant 110 trees at Labrador Nature Reserve. These trees are rare native coastal species that help to strengthen the resilience of Labrador's habitats. In addition to being part of a nature-based solution to combat climate change and reduce the ambient heat of urban areas, the trees will support the rich biodiversity at the reserve and beautify the city.

Engaging the elderly: In October, Keppel Capital volunteers engaged in art and craft activities with elderly patients at Thye Hua Kwan Hospital. The craft activities provided an opportunity for both patients and volunteers to demonstrate their artistic abilities. Keppel Capital also provided care packages to elderly patients, which included daily necessities.

Tree planting at Labrador Nature Reserve.

> I enjoyed myself at the Keppel Year End Carnival. It is always a pleasure to attend parties and have fun with friends. What really made my day was to see friends whom we have not contacted for a long time. It was a nice reunion party!
>
> **Lim Kay Choong,** MD member

KIT's businesses and assets also supported and initiated various programmes in their local communities.

Philippine Coastal Clean-up with Coast Guard and Clean-up at Pamulaklakin Trail: Employees of Philippine Coastal participated in several community initiatives to protect the environment and uplift underprivileged communities.

Philippine Coastal Teambuilding Event for Children at Niños Pag-Aas: Philippine Coastal organised a teambuilding event for children at Niños Pag-Aas, a non-profit organisation established to help provide for the special needs of malnourished and sick children, as well as young adults with disabilities and deformities.

Ixom: Ixom continued to support efforts in water safety, animal conservation as well as donation drives for the local communities where they operate. They include donations and sponsorship contributions to Life Saving Victoria, Water Industry Operators Association, the Taronga Conservation Society Australia, Zoos Victoria, Dairy Industry Association of Australia (Tasmania), the Cancer Council and Fairy Meadow Rotary Club.

Employees of Philippine Coastal participated in a coastal clean up at Pamulaklakin Trail.

GRI Content Index

Statement of Use	Keppel Infrastructure Trust has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
General Disclosures				
		Organisational Profile		
GRI 2: General Disclosures 2021	2-1	Organisational details	Cover page	
	2-2	Entities included in the organisation's sustainability reporting	7, 42	
	2-3	Reporting period, frequency and contact point	42; Report publication date is 06.03.2023	
	2-5	External assurance	42	
	2-6	Activities, value chain and other business relationships	7 to 9, 18 to 19	
	2-7	Employees	65	
	2-8	Workers who are not employees	65	
	2-9	Governance structure and composition	14 to 16, 63	
	2-10	Nomination and selection of the highest governance body	170 to 175	
	2-11	Chair of the highest governance body	14	
	2-12	Role of the highest governance body in overseeing the management of impacts	43	
	2-13	Delegation of responsibility for managing impacts	43	
	2-14	Role of the highest governance body in sustainability reporting	43	
	2-15	Conflicts of interest	185	
	2-16	Communication of critical concerns	43, 63	
	2-17	Collective knowledge of the highest governance body	14 to 15	
	2-18	Evaluation of the performance of the highest governance body	193 to 194	
	2-19	Remuneration policies	175 to 178	
	2-20	Process to determine remuneration	175 to 178	
	2-21	Annual total compensation ratio	177 to 178	Confidentiality constraints. Due to the highly competitive conditions in the industry where poaching of senior management is commonplace, the Trustee-Manager is not able to disclose this information. For more details on our remuneration policy and structure, please refer to pages 177 to 178.
	2-22	Statement on sustainable development strategy	40 to 41	
	2-23	Policy commitments	43, 62	
	2-24	Embedding policy commitments	43	
	2-25	Processes to remediate negative impacts	60, 63	
	2-26	Mechanisms for seeking advice and raising concerns	49, 63	
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GRI 3: Material Topics 2021	3-1	Process to determine material topics	44	
	3-2	List of material topics	44	

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Topic-Specific Disclosures				
		Environmental Stewardship		
		Energy		
GRI 3: Material Topics 2021	3-3	Management of material topics	50 to 52	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	51	
	302-3	Energy intensity	51	
		Emissions		
GRI 3: Material Topics 2021	3-3	Management of material topics	50 to 52	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	50 to 51	
	305-2	Energy indirect (Scope 2) GHG emissions	50 to 51	
	305-3	Other indirect (Scope 3) GHG emissions	50	
	305-4	GHG emissions intensity	51	
		Climate Change Adaptation		
GRI 3: Material Topics 2021	3-3	Management of material topics	53 to 58	
		Waste Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	59	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	59	
	306-2	Management of significant waste-related impacts	59	
	306-3	Waste generated	59	
		Water		
GRI 3: Material Topics 2021	3-3	Management of material topics	59 to 60	
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	59 to 60	
	303-2	Management of water discharge-related impacts	59 to 60	
	303-4	Water discharge	59	
	303-5	Water consumption	59	
		Environmental Protection		
GRI 3: Material Topics 2021	3-3	Management of material topics	60	
GRI 305: Emissions	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	60	

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
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GRI 205 Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	63	
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		Asset Quality and Safety		
GRI 3: Material Topics 2021	3-3	Management of material topics	63	
		Physical Security of Assets		
GRI 3: Material Topics 2021	3-3	Management of material topics	63	
		Cybersecurity and Data Privacy		
GRI 3: Material Topics 2021	3-3	Management of material topics	64	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64	
		Sustainable Supply Chain Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	64	

GRI Content Index

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
		People and Community		
		Human Capital Management		
GRI 3: Material Topics 2021	3-3	Management of material topics	65 to 67	
GRI 401: Employment	401-1	New employee hires and employee turnover	65	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	66	
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	404-3	Percentage of employees receiving regular performance and career development reviews	65	
		Diversity and Inclusion		
GRI 3: Material Topics 2021	3-3	Management of material topics	67 to 68	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	67	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	68	
		Employee Health and Wellbeing		
GRI 3: Material Topics 2021	3-3	Management of material topics	68 to 70	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	68	
	403-2	Hazard identification, risk assessment, and incident investigation	68	
	403-5	Worker training on occupational health and safety	69	
	403-6	Promotion of worker health	70	
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		Community Development and Engagement		
GRI 3: Material Topics 2021	3-3	Management of material topics	71 to 72	

Trustee-Manager’s Statement & Financial Statements

Trustee-Manager's Statement

Keppel Infrastructure Fund Management Pte. Ltd. was appointed as the Trustee-Manager of Keppel Infrastructure Trust (the "Trust") on 18 May 2015.

The directors of the Trustee-Manager present their statement, together with the audited consolidated financial statements of the Trust and its subsidiaries (collectively the "Group") and statement of financial position and statement of changes in unitholders' funds of the Trust for the financial year ended 31 December 2022.

Opinion of the Directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in unitholders' funds of the Trust as set out on pages 84 to 166 are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 December 2022, and the financial performance, changes in unitholders' funds and cash flows of the Group and changes in unitholders' funds of the Trust for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts when they fall due.

In accordance with Section 86(2) of the Singapore Business Trusts Act 2004 (the "Act"), we further certify:

(a) the fees or charges paid or payable out of the trust property of the Trust to the Trustee-Manager are in accordance with the Trust Deed;

(b) the interested person transactions entered into by the Group during the financial year ended 31 December 2022 are not detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the relevant transactions; and

(c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a material adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

In accordance with Regulation 12(6) of the Singapore Business Trust Regulations ("BTR"), the Board of Directors of the Trustee-Manager may determine that a director who is not considered to be independent from management and business relationships with the Trustee-Manager under Regulation 3; or not considered to be independent from a substantial shareholder of the Trustee-Manager under Regulation 4, is nonetheless independent from management and business relationships with the Trustee-Manager or independent from a substantial shareholder of the Trustee-Manager, if the Board of Directors is satisfied that the director's independent judgment and ability to act with regard to the interests of all the unitholders of the Trust as a whole will not be interfered with, despite the relationships.

The details of the Board of Directors' review and determination under Regulation 12(7) of the BTR are disclosed in the Corporate Governance section of the Annual Report of the Trust in accordance to Regulations 12(8) and 12(9) of the BTR.

Directors

The directors of the Trustee-Manager in office at the date of this statement are:

Daniel Cuthbert Ee Hock Huat (Chairman)
Mark Andrew Yeo Kah Chong
Kunnasagaran Chinniah
Christina Tan Hua Mui
Susan Chong Suk Shien
Adrian Chan Pengee (Appointed on 1 October 2022)

Arrangements to Enable Directors to Acquire Units and Debentures

Neither at the end of the financial year nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of the Trust.

Directors' Interests in Units or Debentures

The directors of the Trustee-Manager at the end of the financial year had no interests in the unit capital and debentures of the Trust as recorded in the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Act except as follows:

	Direct interest		Deemed interest	
Name of directors and corporation in which interests are held	**At beginning of financial year**	**At end of financial year**	**At beginning of financial year**	**At end of financial year**
Interests in Keppel Infrastructure Trust (Units)				
Daniel Cuthbert Ee Hock Huat	181,892	262,792	-	-
Mark Andrew Yeo Kah Chong	195,563	260,163	-	-
Kunnasagaran Chinniah	733,083	791,583	471,064	471,064
Susan Chong Suk Shien	-	34,400	-	-

The unitholdings of the above directors as at 21 January 2023 were the same as those at 31 December 2022.

Unit Options

(a) Options to take up unissued units
During the financial year, there were no options granted by the Trustee-Manager to any person to take up unissued units in the Trust.

(b) Options exercised
During the financial year, there were no units of the Trust issued by virtue of the exercise of an option to take up unissued units.

(c) Unissued units under options
At the end of the financial year, there were no unissued units of the Trust under options.

Audit and Risk Committee

The members of the Audit and Risk Committee of the Trustee-Manager during the financial year are:

Mark Andrew Yeo Kah Chong (Chairman)
Daniel Cuthbert Ee Hock Huat
Kunnasagaran Chinniah

All members of the Audit and Risk Committee are independent and are non-executive directors.

The Audit and Risk Committee carried out its functions in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations 2005 and the SGX Listing Manual.

In performing its functions, the Audit and Risk Committee met with the Trust's external and internal auditors to discuss the scope and results of their audits and the internal auditors' evaluation of the Group's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

(a) The audit plan and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The financial statements of the Trust and the consolidated financial statements of the Group before their submission to the directors of the Trustee-Manager and external auditor's report on those financial statements;

(d) The adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(e) The half-yearly and annual announcements on the results and financial position of the Trust and the Group;

(f) The co-operation and assistance given by the Trustee-Manager's officers to the Group's external auditors; and

(g) The re-appointment of the external auditors of the Group.

The Audit and Risk Committee has full access to and had the co-operation of the Trustee-Manager and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officers of the Trustee-Manager to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the directors of the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the unitholders.

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors of the Trustee-Manager

Daniel Ee

Daniel Cuthbert Ee Hock Huat
Chairman

Christina Tan

Christina Tan Hua Mui
Director

Singapore
6 March 2023

Statement by the Chief Executive Officer

In accordance with Section 86(3) of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a material adverse effect on the business of the Trust or on the interests of all the unitholders of the Trust as a whole.

Chiang Chang Jopy
Chief Executive Officer

Singapore
6 March 2023

Independent Auditor's Report to the Unitholders of Keppel Infrastructure Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Keppel Infrastructure Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group and the statement of changes in unitholders' funds of the Trust for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 84 to 166.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the provisions of Singapore Business Trusts Act 2004 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022 and of the consolidated financial performance, consolidated changes in unitholders' funds and consolidated cash flows of the Group and changes in unitholders' funds of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
Impairment of Assets - property, plant and equipment, finite-lived intangible assets and goodwill Under SFRS(I) 1-36 Impairment of Assets, the Group is required to test goodwill for impairment annually and for other assets, where there are indicators of impairment. This assessment requires the exercise of significant judgement in determining the recoverable values of the cash generating units ("CGUs"), including growth rates, discount rates, terminal values and expected changes to selling prices and direct costs. These assets represent a significant portion of the Group's total assets and their proportion as at 31 December 2022 are as follows: • Property, plant and equipment (28.0% of Group's total assets); • Goodwill (19.2% of Group's total assets); and • Finite-lived intangible assets (6.9% of Group's total assets). The key assumptions to the impairment tests and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 6 and Note 8 to the financial statements.	Our audit procedures focused on evaluating and challenging the key assumptions used by the Trustee-Manager in concluding the impairment review. These procedures included: • Using our valuation specialists to review key assumptions used in the impairment analysis, in particular the discount rates and terminal growth rates (where applicable); • Challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations; • By reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them; and • Performing sensitivity analysis on the key assumptions used. Based on our procedures, we noted the Trustee-Manager's key assumptions to be within a reasonable range of our expectations. We have also assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements.

Independent Auditor's Report to the Unitholders of Keppel Infrastructure Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustee-Manager is responsible for the other information. The other information comprises the Key Figures for 2022, Financial Highlights, Corporate Profile and Strategic Direction, Our Presence, Investor Relations, Chairman's Statement, composition of Board of Directors, The Trustee-Manager, Operations Review, Financial Review, Keppel Infrastructure Trust's Unit Price Performance, Significant Events for year ended 2022, Trust Structure, Corporate Information, Sustainability Report, Trustee-Manager's Statement, Statement by the Chief Executive Officer, Corporate Governance, Risk Management and Financial Calendar, which we obtained prior to the date of this auditor's report, and the Statistic of Unitholdings which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and the Directors of the Trustee-Manager for the Financial Statements

The Trustee-Manager of the Trust is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.

(d) Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Trust have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Hock Lee.

Deloitte & Touche LLP

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

6 March 2023

Statements of Financial Position

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Non-Current Assets					
Property, plant and equipment	6	**1,667,739**	1,498,901	**-**	-
Right-of-use assets	7	**99,720**	103,082	**-**	-
Intangibles	8	**1,558,610**	913,093	**-**	-
Investment in subsidiaries	9	**-**	-	**1,869,882**	933,815
Investment in joint venture	10	**399,470**	206,279	**-**	-
Notes receivables	11	**-**	-	**682,557**	737,683
Loan receivable from joint venture	12	**269,724**	-	**-**	-
Amount receivable from subsidiaries	13	**-**	-	**5,715**	7,881
Service concession receivables	14	**132,604**	184,609	**-**	-
Finance lease receivables	15	**50,888**	62,687	**-**	-
Derivative financial instruments	20	**78,951**	24,327	**1,979**	1,865
Investment in financial assets	16	**362,623**	-	**-**	-
Other assets	17	**104,990**	117,655	**-**	-
Total non-current assets		**4,725,319**	3,110,633	**2,560,133**	1,681,244
Current Assets					
Cash and bank deposits	18	**535,729**	817,103	**184,950**	516,955
Investment in financial assets	16	**24**	-	**-**	-
Trade and other receivables	19	**316,391**	237,125	**12,776**	9,322
Service concession receivables	14	**52,024**	50,576	**-**	-
Finance lease receivables	15	**11,799**	11,346	**-**	-
Derivative financial instruments	20	**5,641**	2,462	**4,649**	-
Inventories	21	**280,144**	239,667	**-**	-
Other assets	17	**35,685**	31,871	**66**	18
Total current assets		**1,237,437**	1,390,150	**202,441**	526,295
Total assets		**5,962,756**	4,500,783	**2,762,574**	2,207,539
Current Liabilities					
Borrowings	22	**800,844**	125,990	**579,549**	99,985
Trade and other payables	23	**452,389**	387,079	**26,074**	5,077
Provisions	24	**34,655**	35,847	**-**	-
Derivative financial instruments	20	**3,907**	2,898	**-**	991
Lease liabilities	25	**13,207**	12,535	**-**	-
Income tax payable		**21,593**	23,715	**241**	29
Total current liabilities		**1,326,595**	588,064	**605,864**	106,082
Net Current (Liabilities)/Assets		**(89,158)**	802,086	**(403,423)**	420,213
Non-Current Liabilities					
Borrowings	22	**2,106,321**	1,604,409	**498,840**	199,508
Notes payable to non-controlling interests	26	**245,000**	260,000	**-**	-
Loan from a related party		**2,179**	-	**-**	-
Derivative financial instruments	20	**1,857**	9,229	**-**	-
Other payables	27	**185,370**	188,773	**-**	-
Provisions	24	**17,082**	16,402	**-**	-
Lease liabilities	25	**67,911**	70,194	**-**	-
Defined benefit obligation	28	**5,163**	22,373	**-**	-
Deferred tax liabilities	29	**98,122**	1,274	**-**	-
Total non-current liabilities		**2,729,005**	2,172,654	**498,840**	199,508
Total liabilities		**4,055,600**	2,760,718	**1,104,704**	305,590
Net Assets		**1,907,156**	1,740,065	**1,657,870**	1,901,949
Represented by:					
Unitholders' Funds					
Units in issue	30	**2,629,502**	2,629,211	**2,629,502**	2,629,211
Hedging reserve	31	**50,012**	3,837	**6,629**	875
Translation reserve		**(41,408)**	(16,122)	**-**	-
Capital reserve	32	**46,214**	38,710	**-**	-
Defined benefit plan reserve	28	**6,444**	(6,018)	**-**	-
Share based payment reserve	33	**2,142**	773	**-**	-
Accumulated losses		**(1,728,980)**	(1,538,673)	**(1,575,919)**	(1,325,759)
Total Unitholders' Funds		**963,926**	1,111,718	**1,060,212**	1,304,327
Perpetual securities	34	**597,658**	597,622	**597,658**	597,622
Total Equityholders' Funds		**1,561,584**	1,709,340	**1,657,870**	1,901,949
Non-controlling interests		**345,572**	30,725	**-**	-
		1,907,156	1,740,065	**1,657,870**	1,901,949

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Revenue	36	2,005,946	1,575,019
Other income	37	7,572	6,199
Other gains/(losses) - net	38	18,760	(17,803)
Expenses			
Fuel and electricity costs		(195,193)	(135,641)
Gas transportation, freight and storage costs		(205,717)	(179,500)
Raw materials, consumables used and changes in inventories		(804,119)	(581,215)
Depreciation and amortisation		(156,684)	(159,063)
Impairment loss on financial assets	19,42	(1,166)	(1,018)
Staff costs	39	(181,818)	(165,161)
Operation and maintenance costs		(102,212)	(91,364)
Finance costs	40	(111,693)	(89,321)
Trustee-Manager's fees	41	(41,457)	(12,082)
Other operating expenses		(145,016)	(110,178)
Total expenses		(1,945,075)	(1,524,543)
Profit before joint venture		87,203	38,872
Share of (loss)/results of joint venture		(63,719)	885
Profit before tax	42	23,484	39,757
Income tax expense	43	(26,313)	(15,953)
(Loss)/Profit for the year from continuing operation		(2,829)	23,804
Discontinued operation			
Loss for the year from discontinued operation	44	-	(161,857)
Loss for the year		(2,829)	(138,053)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges:			
- Fair value gain		67,601	94,787
- Transfer to profit or loss		(5,891)	189,413
Currency translation differences relating to consolidation of foreign operations		(31,376)	(2,071)
Currency translation differences reclassified to profit or loss on disposal of foreign subsidiaries		(113)	9,394
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation	28	17,655	3,473
Income tax relating to items that will not be reclassified subsequently	28	(5,193)	(983)
Other comprehensive income, net of tax		42,683	294,013
Total comprehensive income		39,854	155,960
Profit/(Loss) attributable to:			
Unitholders of the Trust		868	(128,806)
Perpetual securities holders	34	27,150	21,531
Equityholders of the Trust		28,018	(107,275)
Non-controlling interests		(30,847)	(30,778)
		(2,829)	(138,053)
Total comprehensive income attributable to:			
Unitholders of the Trust		34,219	154,827
Perpetual securities holders	34	27,150	21,531
Equityholders of the Trust		61,369	176,358
Non-controlling interests		(21,515)	(20,398)
		39,854	155,960
Earnings/(Loss) per unit attributable to unitholders of the Trust, expressed in cents			
From continuing and discontinued operation			
- basic and diluted	45	0.02	(2.58)
From continuing operation			
- basic and diluted	45	0.02	0.66

See accompanying notes to financial statements.

Statements of Changes in Unitholders' Funds

For the financial year ended 31 December 2022

	Note	Attributable to Unitholders of the Trust											
		Units in issue (Note 30) $'000	Treasury units (Note 30) $'000	Hedging reserve (Note 31) $'000	Translation reserve $'000	Capital reserve (Note 32) $'000	Defined benefit plan reserve (Note 28) $'000	Share-based payment reserve (Note 33) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 34) $'000	Non-controlling interests $'000	Total $'000
Group													
At 1 January 2022		**2,629,211**	**-**	**3,837**	**(16,122)**	**38,710**	**(6,018)**	**773**	**(1,538,673)**	**1,111,718**	**597,622**	**30,725**	**1,740,065**
Total comprehensive income													
(Loss)/Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**868**	**868**	**27,150**	**(30,847)**	**(2,829)**
Other comprehensive income for the year		**-**	**-**	**46,175**	**(25,286)**	**-**	**12,462**	**-**	**-**	**33,351**	**-**	**9,332**	**42,683**
Total		**-**	**-**	**46,175**	**(25,286)**	**-**	**12,462**	**-**	**868**	**34,219**	**27,150**	**(21,515)**	**39,854**
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Units issued	30	**291**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**291**	**-**	**-**	**291**
Reversal of issuance cost		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36**	**-**	**36**
Effects of acquiring part of non-controlling interests in a subsidiary	9	**-**	**-**	**-**	**-**	**7,504**	**-**	**-**	**-**	**7,504**	**-**	**(4,360)**	**3,144**
Recognition of share-based payments	33	**-**	**-**	**-**	**-**	**-**	**-**	**1,369**	**-**	**1,369**	**-**	**-**	**1,369**
Distributions paid	34,35	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(191,175)**	**(191,175)**	**(27,150)**	**(339)**	**(218,664)**
Total		**291**	**-**	**-**	**-**	**7,504**	**-**	**1,369**	**(191,175)**	**(182,011)**	**(27,114)**	**(4,699)**	**(213,824)**
Changes in ownership interest in subsidiaries													
Acquisition of interest in a subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**341,061**	**341,061**
Total		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**341,061**	**341,061**
At 31 December 2022		**2,629,502**	**-**	**50,012**	**(41,408)**	**46,214**	**6,444**	**2,142**	**(1,728,980)**	**963,926**	**597,658**	**345,572**	**1,907,156**

	Note	Attributable to Unitholders of the Trust											
		Units in issue (Note 30) $'000	Treasury units (Note 30) $'000	Hedging reserve (Note 31) $'000	Translation reserve $'000	Capital reserve (Note 32) $'000	Defined benefit plan reserve (Note 28) $'000	Share-based payment reserve (Note 33) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 34) $'000	Non-controlling interests $'000	Total $'000
Group													
At 1 January 2021		2,628,761	-	(269,748)	(23,680)	38,710	(8,508)	254	(1,224,207)	1,141,582	298,966	53,394	1,493,942
Total comprehensive income													
(Loss)/Profit for the year		-	-	-	-	-	-	-	(128,806)	(128,806)	21,531	(30,778)	(138,053)
Other comprehensive income for the year		-	-	273,585	7,558	-	2,490	-	-	283,633	-	10,380	294,013
Total		-	-	273,585	7,558	-	2,490	-	(128,806)	154,827	21,531	(20,398)	155,960
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners:													
Units issued	30	450	-	-	-	-	-	-	-	450	-	-	450
Perpetual securities issued		-	-	-	-	-	-	-	-	-	300,000	-	300,000
Issuance cost	30,34	-	-	-	-	-	-	-	-	-	(2,279)	-	(2,279)
Reversal of issuance cost		-	-	-	-	-	-	-	-	-	122	-	122
Recognition of share-based Payments	33	-	-	-	-	-	-	519	-	519	-	-	519
Distributions paid	34,35	-	-	-	-	-	-	-	(185,660)	(185,660)	(20,718)	(2,271)	(208,649)
Total		450	-	-	-	-	-	519	(185,660)	(184,691)	277,125	(2,271)	90,163
At 31 December 2021		2,629,211	-	3,837	(16,122)	38,710	(6,018)	773	(1,538,673)	1,111,718	597,622	30,725	1,740,065

See accompanying notes to financial statements.

	Note	Units in issue (Note 30) $'000	Treasury Units (Note 30) $'000	Hedging reserve (Note 31) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 34) $'000	Total $'000
Trust								
At 1 January 2022		**2,629,211**	**-**	**875**	**(1,325,759)**	**1,304,327**	**597,622**	**1,901,949**
Total comprehensive income								
(Loss)/Profit for the year		**-**	**-**	**-**	**(58,985)**	**(58,985)**	**27,150**	**(31,835)**
Other comprehensive income for the year		**-**	**-**	**5,754**	**-**	**5,754**	**-**	**5,754**
Total		**-**	**-**	**5,754**	**(58,985)**	**(53,231)**	**27,150**	**(26,081)**
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners:								
Units issued	30	**291**	**-**	**-**	**-**	**291**	**-**	**291**
Reversal of issuance cost		**-**	**-**	**-**	**-**	**-**	**36**	**36**
Distributions paid	34,35	**-**	**-**	**-**	**(191,175)**	**(191,175)**	**(27,150)**	**(218,325)**
Total		**291**	**-**	**-**	**(191,175)**	**(190,884)**	**(27,114)**	**(217,998)**
At 31 December 2022		**2,629,502**	**-**	**6,629**	**(1,575,919)**	**1,060,212**	**597,658**	**1,657,870**

	Note	Units in issue (Note 30) $'000	Treasury Units (Note 30) $'000	Hedging reserve (Note 31) $'000	Accumulated losses $'000	Total unitholders' funds $'000	Perpetual securities (Note 34) $'000	Total $'000
Trust								
At 1 January 2021		2,628,761	-	(9,471)	(592,881)	2,026,409	298,966	2,325,375
Total comprehensive income								
(Loss)/Profit for the year		-	-	-	(547,218)	(547,218)	21,531	(525,687)
Other comprehensive income for the year		-	-	10,346	-	10,346	-	10,346
Total		-	-	10,346	(547,218)	(536,872)	21,531	(515,341)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners:								
Units issued	30	450	-	-	-	450	-	450
Perpetual securities issued	34	-	-	-	-	-	300,000	300,000
Issuance cost	30, 34	-	-	-	-	-	(2,279)	(2,279)
Reversal of issuance cost		-	-	-	-	-	122	122
Distributions paid	34, 35	-	-	-	(185,660)	(185,660)	(20,718)	(206,378)
Total		450	-	-	(185,660)	(185,210)	277,125	91,915
At 31 December 2021		2,629,211	-	875	(1,325,759)	1,304,327	597,622	1,901,949

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Operating activities			
Profit/(Loss) before tax		23,484	(122,100)
Adjustments for:			
Depreciation and amortisation	6,7,8	156,684	174,690
Finance costs	40	111,693	153,000
Interest income	37	(5,630)	(1,054)
Impairment loss on financial assets	19, 42	1,166	1,018
Impairment loss on property, plant and equipment and right-of-use assets	6,7	-	8,667
Impairment loss on intangible assets	8	-	3,116
Inventories written down	21	-	1,247
Fair value (gain)/loss on derivative financial instruments	38	(52)	169,891
Fair value gain on investment in financial assets at fair value through profit or loss ("FVTPL")		(20,823)	-
Intangible assets written off	8	-	766
Share-based payment expense		873	829
Loss on disposal of property, plant and equipment		551	-
Gain on disposal of subsidiaries	9, 38, 44	(459)	(41,339)
Share of loss/(results) of joint venture		63,719	(885)
Unrealised foreign exchange loss/(gain)		15,954	(12,709)
Management fees paid in units	30	291	450
Operating cash flows before movements in working capital		347,451	335,587
Trade and other receivables		(24,017)	(7,607)
Service concession receivables		50,556	49,304
Finance lease receivables		11,346	11,142
Trade and other payables		27,716	84,745
Inventories		(30,061)	(54,535)
Cash generated from operations		382,991	418,636
Interest received		5,412	998
Interest paid		(103,618)	(148,527)
Income tax paid		(40,183)	(26,603)
Net cash from operating activities		244,602	244,504
Investing activities			
Acquisition of subsidiaries, net of cash acquired	48	(672,573)	(31,645)
Net cash inflow on disposal of subsidiaries	9	2,086	-
Investment in financial assets measured at FVTPL		(336,620)	-
Investment in joint venture	10,12	(532,595)	(201,293)
Purchase of property, plant and equipment and intangible assets	6,8	(44,422)	(38,642)
Proceeds from sale of property, plant and equipment		424	373
Net cash used in investing activities		(1,583,700)	(271,207)
Financing activities			
(Increase)/Decrease in restricted cash	18	(1,509)	17,433
Proceeds from non-controlling interests of subsidiaries		341,206	-
Acquisition of non-controlled interests in a subsidiary		(12,402)	-
Proceeds from issuance of perpetual securities - net	34	36	297,843
Proceeds from borrowings		1,493,674	710,256
Repayment of borrowings		(516,423)	(518,826)
Repayment of obligations under finance leases		(16,441)	(13,595)
Payment of loan upfront fees		(9,598)	(748)
Distribution paid to perpetual securities holders	34	(27,150)	(20,718)
Distributions paid to unitholders of the Trust	35	(191,175)	(185,660)
Distributions paid by subsidiaries to non-controlling interests		(339)	(2,271)
Net cash from financing activities		1,059,879	283,714
Net (decrease)/increase in cash and cash equivalents		(279,219)	257,011
Cash and cash equivalents at beginning of year		809,751	555,936
Effects of currency translation on cash and cash equivalents		(3,664)	(3,196)
Cash and cash equivalents at end of year	18	526,868	809,751

See accompanying notes to financial statements.

1. General

Keppel Infrastructure Trust, (the "Trust") is a business trust registered with the Monetary Authority of Singapore and domiciled in Singapore. The Trust was constituted by a trust deed dated 5 January 2007 and is regulated by the Singapore Business Trusts Act 2004.

In 2015, the Trust changed its Trustee-Manager from CitySpring Infrastructure Management Pte. Ltd. to Keppel Infrastructure Fund Management Pte. Ltd. Under the trust deed, Keppel Infrastructure Fund Management Pte. Ltd. (the "Trustee-Manager") will hold the assets (including businesses) acquired in trust for the unitholders as the Trustee-Manager. The registered address and principal place of business of the Trustee-Manager is at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

The Trust has been established with the principal objective of investing in infrastructure assets and providing unitholders with regular and predictable distributions and the potential for long-term capital growth. The principal activities of the subsidiaries of the Trust are set out in Note 9.

The Trust was admitted to the Official List of the Main Board of Singapore Exchange Securities Trading Limited on 12 February 2007.

The consolidated financial statements of the Group and statement of financial position and statement of changes in unitholders' funds of the Trust for the financial year ended 31 December 2022 were authorised for issue by the Board of Directors of the Trustee-Manager on 6 March 2023.

2. Summary of Significant Accounting Policies

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 Share-based Payment, leasing transactions that are within the scope of SFRS(I) 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 Inventories or value-in-use in SFRS(I) 1-36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2022, the Group and the Trust adopted all the new and revised SFRS(I)s pronouncements that are relevant to its operations.

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 3: Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendment to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to SFRS(I)s 2018-2020

The adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s has no material effect on the disclosures or on the amounts reported in the condensed interim consolidated financial statements of the Group, except as discussed below.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The Group has adopted the amendments to SFRS(I) 3 Business Combinations for the first time in the current year. The amendments update a reference in SFRS(I) 3 to the Conceptual Framework for Financial Reporting. They also add to SFRS(I) 3 a requirement that, for obligations within the scope of SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies SFRS(I) 1-37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of SFRS(I) INT 21 Levies, the acquirer applies SFRS(I) INT 21 to determine to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

2. Summary of Significant Accounting Policies (continued)

ADOPTION OF NEW AND REVISED STANDARDS (continued)

Amendments to SFRS(I) 1-16: Property, Plant and Equipment—Proceeds before Intended Use
The Group has adopted the amendments to SFRS(I) 1-16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with SFRS(I) 1-2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. SFRS(I) 1-16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to SFRS(I) 1-37: Onerous Contracts—Cost of Fulfilling a Contract
The Group has adopted the amendments to SFRS(I) 1-37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to SFRS(I)s 2018–2020
The group has adopted the amendments included in the Annual Improvements to SFRS(I) Accounting Standards 2018-2020 for the first time in the current year. The Annual Improvements include amendments to four Standards as set out below:

SFRS(I) 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in SFRS(I) 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to SFRS(I) Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in SFRS(I) 1:D16(a).

SFRS(I) 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

SFRS(I) 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries). Control is achieved when the Trust:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Trust reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power, including:

- The size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Trust, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Trust has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

Profit or loss are attributed to the equityholders of the Trust and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Trust and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interest in a subsidiary that do not result in Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to unitholders of the Trust.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Trust's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2. Summary of Significant Accounting Policies (continued)

BUSINESS COMBINATIONS (continued)

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income ("FVTOCI") criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "other income" line item.

Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains/(losses) - net" line item. Fair value is determined in the manner described in Note 4.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains/(losses) - net" line item; and

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains/(losses) - net" line item.

Service concession arrangements
The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of Singapore to operate a water treatment plant and two waste-to-energy plants in Singapore. Under the concession arrangements, the Group will operate the plants for agreed original concession periods of between 15 to 25 years and transfer the plants to the grantors at the end of the concession periods. Such a concession arrangements fall within the scope of SFRS(I) INT 12 Service Concession Arrangements and are accounted for as service concession receivables.

The Group recognises a finance receivable arising from a service concession arrangement when it has a right to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the concession infrastructure. When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the finance receivable (if any), which will be used to reduce the carrying amount of the finance receivable on its statement of financial position, (ii) interest income, which will be recognised as finance income in profit or loss and (iii) revenue from operating and maintaining the infrastructure, which will be recognised in profit or loss.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, lease receivables, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognised lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the production and sale of gas, water desalination, water treatment, waste incineration, electricity generation business, manufacture and distribution of chemicals and provision of technical solutions.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amount.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower; or
- a breach of contract, such as a default or past due event; or
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 360 days past due, whichever occurs sooner, excluding trade receivables in dispute. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownerships of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by the Group entity are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS (continued)

Financial liabilities and equity instruments (continued)

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Trust's own equity instruments.

Perpetual securities
The perpetual securities do not have a maturity date and the Trust is able to, at its full discretion, elect to defer making a distribution subject to the terms and conditions of the perpetual securities. Accordingly, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Presentation and the whole instrument is presented within equity. Distributions are treated as dividends which will be directly debited from equity. Costs directly attributable to the issuance of the perpetual securities are deducted against the proceeds from the issue.

Units in issue and unit proceeds from issuance of units are recognised as units in issue in equity
Issue expenses are expenses incurred in issuance of units in the Trust. Expenses which are directly attributable to the issuance of units are deducted directly from the net assets attributable to the unitholders. Expenses which are not directly attributable to the issuance of units are recognised in profit or loss.

Distributions to the Trust's unitholders
Distributions to the Trust's unitholders are recorded in equity in the period in which they are approved for payment.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, ii) held for trading, or iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other gains/(losses) - net" line item.

However, for all other financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in Note 4.

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not i) contingent consideration of an acquirer in a business combination, ii) held-for-trading, or iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other gains/(losses) - net" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments
The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 20.

Derivatives are recognised initially at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. The impact of the master netting arrangements on the Group's financial position is disclosed in Note 20. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of this instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives
Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of SFRS(I) 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or FVTPL as appropriate. See above for the Group's policy on classification of financial assets.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS (continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Note 20 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in Note 31.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "other gains/(losses) - net" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Trust and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group determines its incremental borrowing rate based on the quotes from reputable banks over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in accordance to the type of asset, tenor and country where the assets are situated.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2 - Impairment of tangible and intangible assets excluding goodwill below.

2. Summary of Significant Accounting Policies (continued)

FINANCIAL INSTRUMENTS (continued)

LEASES (continued)

The Group as lessee (continued)
Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has applied the practical expedient which permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification and accordingly has accounted for any changes in lease payments resulting from the COVID-19-related rent concessions applying SFRS(I) 16 as if the change were not a lease modification.

The Group as lessor
A subsidiary of the Group had signed a Water Purchase Agreement ("WPA") with Singapore PUB to supply treated water to PUB from a seawater desalination plant which the subsidiary owns. Another subsidiary of the Group had also entered into a lease agreement for food waste digestor. In accordance with SFRS(I) 16 Leases, both agreements are lease arrangements and are classified as finance leases.

The lease asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the balance sheet and included in "finance lease receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance lease income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable. Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in profit or loss over the lease term on the same basis as the finance lease income.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. For chemical raw materials and finished goods, cost is calculated using the first-in, first-out or weighted average method based on the type of inventory. For other inventories, cost is calculated using weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment acquired as part of a business combination are recognised initially at their fair values at the date of acquisition and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of an item includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Trustee-Manager. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purposes other than to produce inventories.

Freehold land has an unlimited useful life and stand-by equipment and assets under construction are not yet available for use and therefore are not depreciated. Depreciation on other property, plant and equipment is calculated using a straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

Building	20 to 40 years
Landfill classified under Building and leasehold land	Units of production method
Easements	38.67 years
Interconnector and related plant and machinery	3 to 63.67 years
Power plant	25 years
Other plant and machinery	3 to 25 years
Computers, vehicles, furniture, fittings and equipment	1 to 12 years or lease term, whichever is shorter

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of a property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

INVESTMENT PROPERTY - Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS EXCLUDING GOODWILL

<u>Intangible assets acquired in a business combination</u>
Intangible assets acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Concession arrangements, customer relationship and customer contracts acquired as part of business combination are initially recognised at their fair values at the acquisition date and subsequently carried at cost (i.e. the fair values at initial recognition) less accumulated amortisation and accumulated impairment losses.

These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of:

Concession arrangements	9.26 to 19.42 years
Customer contracts and relationships	2 to 38.69 years

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. Summary of Significant Accounting Policies (continued)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's Cash Generating Units ("CGU") to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years, unless a longer period can be justified. For longer periods, a long-term justified growth rate is applied to project future cash flows.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

JOINT VENTURE - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS (I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning liabilities
The provision for decommissioning costs arose on construction of plant and equipment due to contractual obligation. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the costs of that particular asset. The cash flows are discounted at current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as finance costs. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for reinstatement cost
A provision for reinstatement cost is recognised in relation to properties held under lease. The Group recognises the provision for property leases which contain a specific clause to restore the property to a specific condition and the amount is based on the best estimate made by the Trustee-Manager.

SHARE-BASED PAYMENT - Management fees due to the Trustee-Manager can be settled either in cash or by the issue of units in the Trust or by a combination of both cash and units at the option of the Trustee-Manager. The fair values of the settlement choices are identical as the number of units to be issued to the Trustee-Manager is based on the cash liability at the settlement date. The Group measures and re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in the profit or loss. If the Group issues equity instruments on settlement rather than paying cash, the liability shall be transferred direct to equity, as the consideration for the equity instruments issued. If the Group pays in cash on settlement rather than issuing equity instruments, payment shall be applied to settle the liability in full.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

REVENUE RECOGNITION - The Group recognises revenue from the following major sources:

- Sale of goods;
- Service income;
- Finance income from service concession arrangements;
- Finance lease income;
- Operation and maintenance income;
- Distribution income;
- Interest income; and
- Other income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods
There are two main kinds of goods sold by the Group: gas and chemicals.

Sale of gas
The Group sells town gas, natural gas and gas appliances to residential, commercial and industrial customers in Singapore. Revenue is measured based on the consideration in accordance with the price regulation framework (for town gas) and consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group's town gas business in Singapore is regulated under the Gas License issued by Energy Market Authority ("EMA") of Singapore. The Group sells town gas to residential, commercial and industrial customers. The amount of revenue recognised is based on the gas consumption derived from meter readings and when control of the town gas has transferred to its customer, being when the town gas is delivered to the customer's specific location (delivery). A receivable is recognised by the Group upon delivery as this represents the point in time at which the right to the consideration becomes unconditional, as only the passage of time is required before payment.

The Group sells natural gas to commercial and industrial customers. Revenue is recognised upon completion of the gas filling transaction and when control of the natural gas has transferred to its customer, being when the natural gas is delivered to the customer's specific location (delivery). A receivable is recognised by the Group upon delivery as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment.

Under the Group's standard contract terms, customers do not have a right of return.

2. Summary of Significant Accounting Policies (continued)

REVENUE RECOGNITION (continued)

Sale of traded and manufactured chemicals
Revenue from the sale of traded and manufactured chemicals is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction prices needs to be allocated (e.g. warranties, services etc). In determining the transaction price for the sale, the Group considers the effects of variable consideration, the existence of significant financing components, and any other relevant factors.

Service income
The Group provides availability and capacity targets of its power plant to a related party. Such service is recognised as a performance obligation satisfied over-time based on an availability-based tolling fees and a monthly fixed fee indexed to the Singapore Consumer Price Index.

The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of Singapore to operate a water treatment plant and two waste-to-energy plants in Singapore. Revenue related to construction or upgrade services under a service concession arrangement is recognised over time. Service income is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration is allocated with reference to the relative stand-alone selling prices of the services delivered.

The Group provides waste management services, encompassing solid and liquid waste management and landfill, to variety of customers including government municipalities and large industrial conglomerates in South Korea. The Group collects the waste from the customers and transport to its waste treatment facilities which includes incineration plants and landfill for treatment. The service income is recognised in the period in where the services, being collection, transportation, and treatment of the waste, are provided by the Group.

Finance income from service concession arrangements
The Group has entered into service concession arrangements with governing agencies (the grantors) of the Government of Singapore to operate a water treatment plant and two waste-to-energy plants in Singapore. Under the service concession arrangements, the Group will operate the plants for agreed original concession periods of between 15 and 25 years and transfer the plants to the grantors at the end of the concession period. Revenue related to finance income under a service concession arrangement is recognised over time.

The Group receives finance income from the service concession arrangements which represents the interest income on the service concession receivables arising from the service concession arrangements, and is recognised using the effective interest method.

Finance lease income
Accounting policy for recognising finance lease income is stated separately below.

Operation and maintenance income
The Group provides operation services for its plants against a well identified fixed and variable cost structure according to the agreements entered into with the grantors. The operation services and where applicable, maintenance work, are required to be carried out on the plants in line with the length of the respective service period. Revenue from provision of operation and maintenance service is recognised as a performance obligation satisfied over time, in the period in which the services are provided by the Group.

Revenue from operating and maintaining the infrastructure under a service concession arrangement is recognised over time.

Interest income
Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

Other income
Other income represents the sale of scrap, rental income and insurance compensation. Sale of scrap is recognised upon delivery of the scrap materials and rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight line basis over the term of the relevant lease. Insurance compensation is recognised in profit or loss to the extent of the amount received from the insurer.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

SHORT-TERM AND LONG-TERM EMPLOYEE BENEFITS - A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

DEFINED CONTRIBUTION PLANS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

DEFINED BENEFIT PLANS - For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item "staff costs". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the Trust and subsidiaries operate by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2. Summary of Significant Accounting Policies (continued)

INCOME TAX (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Trust are presented in Singapore dollars, which is the functional currency of the Trust and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see above under hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents comprise cash on hand, fixed deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents is stated at cash and bank deposits less restricted cash.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the Trustee-Manager is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, Trustee-Manager has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations as discussed below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Details of the loss allowance on aged trade receivables are disclosed in Note 19.

(ii) Impairment of non-financial assets

The Group assesses at each reporting date whether there are any indicators of impairment for all non-financial assets, other than goodwill.

Where such indicators exist, determining whether the carrying values of property, plant and equipment, right-of-use assets and intangibles are impaired requires an estimation of the value-in-use of the asset or the CGU. This requires the Group to estimate the future cash flows expected from the asset or the CGU, the growth rate and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangibles at the end of the reporting period are disclosed in Notes 6, 7 and 8 respectively.

(iii) Allocation and impairment of goodwill

The Group completed the acquisition of the Crystal Assets on 18 May 2015 (see Note 8), the acquisition of Ixom on 19 February 2019 (see Note 8), Medora source water management solutions business ("Medora") on 31 January 2020 and Eco Management Korea Holdings Co., Ltd on 20 October 2022 (see Note 48). Independent valuers were engaged by the Group to identify and measure the fair values of the identifiable assets and liabilities assumed and the goodwill on these acquisitions.

Goodwill arising from the business combinations is allocated, based on the relative fair value approach, to the CGUs that are expected to benefit from that business combination. This requires the Group to estimate the additional future benefit to be derived by the CGUs. Goodwill arising from the acquisition of the Crystal Assets was allocated to City Energy of Energy Transition business segment. Goodwill arising from the acquisition of Ixom, Medora, ABP, SCR, BP and PI is solely attributable to Ixom Group of the Distribution & Storage business segment. Goodwill arising from the acquisition of Eco Management Korea Holdings Co, Ltd was allocated to Environmental Services business segment.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. The recoverable values of the CGUs are determined based on value-in-use calculations. This requires the Group to estimate the future cash flows expected from the asset or the CGU, the growth rate and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amounts of goodwill at the end of the reporting period are disclosed in Note 8.

(iv) Purchase Price Allocation

During the year, the Group completed the acquisition of Eco Management Korea Holdings Co., Ltd ("EMK"), Bituminous Products Pty. Ltd. ("BP"), Aromatic Ingredients Pty. Ltd. ("AI") and Pure Ingredients Pty Ltd. ("PI"). In the previous year, the Group completed the acquisition of Philippine Tank Storage International (Holdings) Inc. ("PTSI"), Australian Botanical Products Pty Ltd ("ABP") and SCR Solutions Limited ("SCR"). The purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification of the acquired assets and liabilities and determining their respective fair values. The Group's disclosure of the above is set out in Note 48.

4. Financial Instruments, Financial Risks and Capital Management

(a) Categories of financial instruments

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Financial Assets				
Financial assets at amortised cost	**1,311,269**	1,291,650	**888,468**	1,270,052
Finance lease receivables	**62,687**	74,033	**-**	-
Financial assets measured at FVTPL	**362,560**	-	**-**	-
Derivative instruments:				
Designated in hedge accounting relationships	**84,592**	26,445	**6,628**	1,865
Not designated in hedge accounting relationships	**-**	344	**-**	-
Total	**1,821,108**	1,392,472	**895,096**	1,271,917
Financial Liabilities				
Financial liabilities at amortised cost	**3,582,470**	2,367,504	**1,104,463**	304,570
Lease liabilities	**81,118**	82,729	**-**	-
Derivative instruments:				
Designated in hedge accounting relationships	**5,742**	12,127	**-**	991
Not designated in hedge accounting relationships	**22**	-	**-**	-
Total	**3,669,352**	2,462,360	**1,104,463**	305,561

The Group and Trust do not have any financial instruments which are subject to enforceable master netting arrangements or similar netting arrangements, other than those disclosed in the financial statements.

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks, including the effects of credit, interest rate, liquidity, and foreign currency exchange rate. Risk management is integral to the whole business of the Group. The Group's overall risk management programme seeks to minimise potential adverse effects of the unpredictability of financial markets on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps, forward currency contracts and commodity swaps to hedge certain financial risk exposures.

The Board of Directors of the Trustee-Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Trustee-Manager then establishes and implements the detailed financial risk management policies such as authority levels, oversight responsibilities, risk identification, exposure limits and hedging strategies in accordance with the objectives and underlying principles approved by the Board of Directors of the Trustee-Manager.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) Foreign exchange risk management

The Group operates mainly in Singapore, Australia and New Zealand. The Group entities transact predominantly in their respective functional currency except for the Trust and three subsidiaries.

One subsidiary, whose functional currency is the Singapore dollar ("SGD"), is partially exposed to United States dollar ("USD") currency risk. The subsidiary's exposure to USD feedstock purchases for its town gas production is mainly passed through. However, it has USD currency risk in respect of purchases of natural gas for retail and retail sales in USD.

Another subsidiary, whose functional currency is the USD, is exposed to currency risk from receipts denominated in SGD. This subsidiary also holds cash and cash equivalents denominated in SGD for working capital purposes.

A third subsidiary, whose functional currency is the Australian dollar ("AUD"), is exposed to currency risk from specific receipts denominated in USD. This subsidiary also holds cash and cash equivalents denominated in USD for working capital purposes.

The Group reviews these balances periodically to ensure that the net exposure is kept at an acceptable level.

The Group is exposed to currency translation risk on net assets in foreign operations. Currency exposure to the net assets in Australia is managed predominantly by having a significant amount of borrowings denominated in the functional currency.

At the end of the financial year, the carrying amounts of monetary assets and liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Group				
USD	**55,329**	23,832	**20,182**	15,219
AUD	**3,649**	57	**27,697**	14,775
JPY	**5**	2	**153**	30
NZD	**37**	17	**401**	221
SGD	**4,037**	1,087	**11,695**	10,503
EUR	**2,061**	377	**161**	271
Others	**221**	18	**1,347**	365
Trust				
AUD	**-**	-	**27,632**	14,662
USD	**-**	-	**4,874**	-

(i) **Foreign exchange risk management**

Sensitivity analysis

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to the Trustee-Manager and represents the Trustee-Manager's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjust their translations at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthens by 5% against the functional currency of each Group entity, profit or loss will increase/(decrease) by:

	Increase/(Decrease) Profit or loss	
	2022 $'000	2021 $'000
Group		
USD	**(1,757)**	(431)
AUD	**1,202**	736
JPY	**7**	1
NZD	**18**	10
SGD	**383**	471
EUR	**(95)**	(5)
Others	**55**	17
Trust		
AUD	**1,382**	733
USD	**244**	-

A 5% weakening of the foreign currencies above against the respective functional currencies at the reporting date would have the equal impact but opposite effect.

(ii) **Interest rate risk management**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Trust have no significant variable interest-bearing assets.

The Group is exposed to Singapore Swap Offer Rate ("SOR") interest rate benchmark within its hedge accounting relationships, which is subject to interest rate benchmark reform ("IBOR"). The exposures arise on derivatives and non-derivative financial assets and liabilities referenced to SOR. The Group has cash flow hedge relationships affected by the interest rate benchmark reform. Hedged items in these hedges include SOR-linked bank borrowings, which was transitioned to Singapore Overnight Rate Average ("SORA"). Hedging instruments include SOR-linked interest rate swaps.

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(ii) Interest rate risk management (continued)

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the Association of Banks in Singapore ("ABS"), the Singapore Foreign Exchange Market Committee ("SFEMC"), and the Steering Committee for SOR Transition to SORA ("SC-STS") ("IBOR Committees"). The IBOR Committees have confirmed that the SOR will be discontinued by 30 June 2023 and replaced by SORA.

Progress towards implementation of alternative benchmark interest rates
All newly transacted floating rate financial assets and liabilities are linked to an alternative benchmark rate, such as SORA or if, linked to SOR, include detailed fallback clauses clearly referencing the alternative benchmark rate and the trigger event on which the clause is activated.

The Group has a risk management policy of maintaining an appropriate mix between fixed and floating rate borrowings. However, due to the lack of liquidity in the SORA markets, the Group is temporarily increasing the amount of fixed rate debt it carries by either issuing fixed rate debt or entering into interest rate swap contracts. The Group is planning to transition the majority of its SOR-linked contracts to risk-free rates through introduction of, or amendments to, fallback clauses into the contracts which will change the basis for determining the interest cash flows from SOR to SORA at an agreed point in time.

Interest rate benchmark transition for non-derivative financial instruments
The following table summarises the non-derivative financial instruments held by the Group that feature cash flows that have been or will be affected by the interest rate benchmark reform. It does not include the Group's fixed rate financial instruments because cash flows on those instruments are not affected by the interest rate benchmark reform.

Non-derivative financial instruments prior to transition – Borrowings linked to SOR taken up by:	Maturing in	Notional	Hedge accounting – Amount designated in a cash flow hedge	Transition progress for non- derivative financial instruments
Keppel Infrastructure Trust	2025	$50 million	$50 million	Transition to SORA
SingSpring Trust	2024	$155.5 million	$11.8 million	Expected to transition in 2023
City Energy Trust	2026	$178 million	$178 million	Transition to SORA
Keppel Merlimau Cogen Pte Ltd	2027	$700 million	$700 million	Expected to transition in 2023

Interest rate benchmark transition for derivatives and hedge relationships
Certain bank borrowings of the Group were hedged in a cash flow hedge using a 1 to 3 months SOR to fixed interest rate swap contract. During the year, the Group entered into an equal but offsetting derivative against the original derivative and a new off-market derivative based on SORA plus fixed spread on the same terms as the original derivative (i.e. the fair value on day one of the new SORA derivative was the same as the original SOR derivative). This change was effected as a direct consequence of the reform and on an economically equivalent basis. The Group updated the hedge documentation to include the new derivatives and amended the designated hedged risk to "variability in the cash flows of the bank borrowings resulting from changes in SORA". The hedge relationship was not discontinued and the accumulated gain in the cash flow hedge reserve is recalculated based on SORA.

The Group will continue to apply the amendments to SFRS(I) 9 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows that the group is exposed ends. The Group expects this uncertainty will continue until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced, the basis for the cash flows of the alternative benchmark rate is determined including any fixed spread. This will, in part, be dependent on the introduction of fall back clauses which have yet to be added to the Group's contracts and the negotiation with lenders.

Details of the various derivative financial instruments held by the Group and Trust are disclosed in Note 20. Assuming all other variables are held constant, a 50 basis point change in Singapore or Australia interest rate has the following impact on profit or loss and equity as a result of higher/lower finance cost or fair value changes to derivative financial instruments. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Trustee-Manager's assessment of the reasonably possible change in interest rates.

Sensitivity analysis

	Decrease of 50 basis points		Increase of 50 basis points	
	Increase/(Decrease)		Increase/(Decrease)	
	Profit or loss $'000	Equity $'000	Profit or loss $'000	Equity $'000
Group				
2022				
Borrowings at floating interest rate	**2,607**	**-**	**(2,607)**	**-**
Interest rate swaps accounted for under cash flow hedge	**-**	**(8,058)**	**-**	**8,058**
2021				
Borrowings at floating interest rate	595	-	(595)	-
Interest rate swaps accounted for under cash flow hedge	-	(6,563)	-	6,563

(iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. Therefore, the Group does not expect to incur material credit losses on its financial instruments. The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk framework comprises the following categories:

Category	**Decription**	**Basis for recognising expecting credit losses ("ECL")**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables and lease receivables: Lifetime ECL - not credit-impaired Other financial assets: 12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(iii) Overview of the Group's exposure to credit risk (continued)

The table below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2022						
Trade receivables	19	Performing	Lifetime ECL	286,464	-	286,464
Trade receivables	19	Doubtful	Lifetime ECL	17,080	(3,369)	13,711
Other receivables	19	Performing	12-month ECL	15,301	-	15,301
Service concession receivables	14	Performing	12-month ECL	184,628	-	184,628
Finance lease receivables	15	Performing	Lifetime ECL	62,687	-	62,687
Loan receivables from Joint Venture	12	Performing	12-month ECL	269,724	-	269,724
					(3,369)	
2021						
Trade receivables	19	Performing	Lifetime ECL	206,828	-	206,828
Trade receivables	19	Doubtful	Lifetime ECL	18,478	(2,785)	15,693
Other receivables	19	Performing	12-month ECL	14,307	-	14,307
Service concession receivables	14	Performing	12-month ECL	235,185	-	235,185
Finance lease receivables	15	Performing	Lifetime ECL	74,033	-	74,033
					(2,785)	
Trust						
2022						
Other receivables	19	Performing	12-month ECL	11,861	-	11,861
Notes receivables	11	Performing	Lifetime ECL	778,712	(96,155)	682,557
Amount receivable from a subsidiary	13	Performing	12-month ECL	5,715	-	5,715
					(96,155)	
2021						
Other receivables	19	Performing	12-month ECL	9,026	-	9,026
Notes receivables	11	Performing	Lifetime ECL	775,712	(38,029)	737,683
Amount receivable from a subsidiary	13	Performing	12-month ECL	7,881	-	7,881
					(38,029)	

(iv) Credit risk management

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the customer profile of its trade receivables, based on the operating segments, on an ongoing basis. The credit risk concentration profile of the Group's third-party trade receivables, grossed up for any allowances for losses, at the end of the financial year is as follows:

	2022		2021	
	$'000	%	$'000	%
Group				
By operating segments				
Energy Transition				
- City Energy[1] (Performing)	41,852	14	29,358	14
- City Energy[1] (Doubtful)	1,012	1	835	-
Distribution & Storage				
- Ixom[2] (Performing)	185,516	64	136,891	65
- Ixom[2] (Doubtful)	15,139	5	17,643	8
Environment Services				
- EMK (Performing)[2]	16,388	6	-	-
- EMK (Doubtful)[2]	929	-	-	-
- Singapore Waste & Water[3] (Performing)	28,172	10	26,944	13
Others (Performing)	30	-	30	-
	289,038	100	211,701	100
By geographic distribution				
Singapore	71,045	25	57,167	27
Australia	132,314	46	104,630	49
New Zealand	50,350	17	34,175	16
Korea	17,317	6	-	-
Others	18,012	6	15,729	8
	289,038	100	211,701	100

1 There is no significant concentration of credit risk due to the nature and the significant number of its customer base. To mitigate credit risk, deposits or bankers guarantees are obtained from customers upon the opening of a utilities account. Included in the refundable customer deposits disclosed in Note 23, is an amount of $41,416,000 (2021: $38,013,000), which can, subject to certain conditions, be used to set off against the corresponding outstanding receivables when the circumstances warrant.

2 The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

3 There is a significant concentration of credit risk with their customers, which are agencies of the Government of Singapore, for the duration of the service contract entered into.

Each Group entity monitors the credit risk by ensuring that payments are received by the contractual date.

The credit risk on cash and fixed deposits is limited because the counterparties are banks and financial institutions which are regulated and with high credit ratings.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with trade receivables is mitigated because they are secured over deposits collected from customers amounting to $41,416,000 as at 31 December 2022 (2021: $38,013,000), which can be used to offset the impaired receivables when the circumstances warrant.

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(v) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to a shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Trust can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Effective interest rate per annum %	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Adjustment $'000	Total $'000
Group						
2022						
Non-interest bearing	**-**	**414,736**	**-**	**-**	**-**	**414,736**
Variable interest rate instruments[1]	**2.88 – 8.95**	**808,249**	**1,896,354**	**-**	**(234,185)**	**2,470,418**
Fixed interest rate instruments	**2.9 – 17.50**	**61,968**	**689,852**	**887,935**	**(861,321)**	**778,434**
		1,284,953	**2,586,206**	**887,935**	**(1,095,506)**	**3,667,588**
2021						
Non-interest bearing	-	371,717	-	-	-	371,717
Variable interest rate instruments[1]	1.37 - 2.88	147,915	1,119,935	354,585	(116,148)	1,506,287
Fixed interest rate instruments	2.90 - 17.50	53,831	422,173	892,847	(796,622)	572,229
		573,463	1,542,108	1,247,432	(912,770)	2,450,233
Trust						
2022						
Non-interest bearing	**-**	**26,074**	**-**	**-**	**-**	**26,074**
Variable interest rate instruments	**3.8**	**598,367**	**65,400**	**-**	**(34,218)**	**629,549**
Fixed interest rate instruments	**3-4.11**	**29,475**	**567,150**	**-**	**(147,785)**	**448,840**
		653,916	**632,550**	**-**	**(182,003)**	**1,104,463**
2021						
Non-interest bearing	-	5,077	-	-	-	5,077
Variable interest rate instruments	2.62	100,437	-	-	(452)	99,985
Fixed interest rate instruments	3.00	6,000	223,500	-	(29,992)	199,508
		111,514	223,500	-	(30,444)	304,570

1 Included the cash flows on the Group's sustainability-linked loan of $700 million where the loan interest could be reduced when certain carbon-emission targets are met. The interest payments on this sustainability-linked loan takes into consideration the Group's expectation to meet the sustainability-linked performance targets and may change from time to time.

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Trust anticipate that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Effective interest rate per annum %	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000	Adjustment $'000	Total $'000
Group						
2022						
Non-interest bearing	**-**	**491,478**	**63**	**-**	**-**	**491,541**
Fixed interest rate instruments	**0.95 – 15.32**	**398,249**	**177,844**	**515,173**	**(261,975)**	**829,291**
Variable interest rate instruments	**0.22 – 1.29**	**53,124**	**-**	**-**	**-**	**53,124**
		942,851	**177,907**	**515,173**	**(261,975)**	**1,373,956**
2021						
Non-interest bearing	-	303,564	-	-	-	303,564
Fixed interest rate instruments	0.13 – 15.32	701,895	204,809	83,055	(51,485)	938,274
Variable interest rate instruments	0.15 – 0.22	123,845	-	-	-	123,845
		1,129,304	204,809	83,055	(51,485)	1,365,683
Trust						
2022						
Non-interest bearing	**-**	**15,248**	**-**	**-**	**-**	**15,248**
Fixed interest rate instruments	**2.0 – 17.50**	**237,176**	**455,007**	**1,337,772**	**(1,200,929)**	**829,026**
Variable interest rate instruments	**2.0 - 2.37**	**38,616**	**5,803**	**-**	**(225)**	**44,194**
		291,040	**460,810**	**1,337,772**	**(1,201,154)**	**888,468**
2021						
Non-interest bearing	-	9,026	-	-	-	9,026
Fixed interest rate instruments	0.16 – 17.50	585,699	522,459	1,413,310	(1,287,818)	1,233,650
Variable interest rate instruments	0.16 – 1.02	21,047	6,486	-	(157)	27,376
		615,772	528,945	1,413,310	(1,287,975)	1,270,052

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(v) Liquidity risk management (continued)

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

	Within 1 year $'000	Within 2 to 5 years $'000	More than 5 years $'000
Group			
2022			
Net settled:			
Interest rate swaps	**126**	**78,926**	**-**
Foreign currency forward	**1,632**	**(1,832)**	**-**
Commodity swaps	**(22)**	**-**	**-**
2021			
Net settled:			
Interest rate swaps	(556)	10,797	2,436
Foreign currency forward	(224)	1,865	-
Commodity swaps	344	-	-
Trust			
2022			
Net settled:			
Interest rate swaps	**-**	**1,953**	**-**
Foreign currency forward	**4,673**	**-**	**-**
2021			
Net settled:			
Interest rate swaps	(204)	-	-
Foreign currency forward	(787)	1,865	-

The Group and the Trust manage their liquidity risk by maintaining a sufficient level of cash and cash equivalents deemed adequate by the Trustee-Manager to finance the Group's and Trust's operations including servicing of financial obligations and to mitigate the effects of fluctuations in cash flows. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

The Group is in a net current liability position of $89,158,000 as at 31 December 2022. The equity bridge loans ("EBL") to fund KIT's acquisitions in 2022 are classified as current liabilities (Note 22). The financial statements of the Group have been prepared on a going concern basis on the following basis:

- KIT is able to leverage on its panel of banks and tap the equity and debt capital markets to fully refinance the EBL in 2023; and
- The Trustee-Manager carried out a detailed review of the Group's cash flow forecast for the next 15 months. Based on the cash flow forecast, the Trustee-Manager is of the opinion that there is adequate liquidity to finance the working capital requirements of the Group for the next 15 months. In preparing the cash flow forecasts, the Trustee-Manager has considered the operating cash requirements of the Group to generate sufficient revenue and obtain additional funding to satisfy the Group's current obligations, which may impact the operations of the Group during the next 15 months. The Trustee-Manager is of the opinion that the assumptions which are included in the cash flow forecast are reasonable.

The Group maintains $184 million and $134 million of undrawn committed and uncommitted facilities respectively as at 31 December 2022 and is also able to tap the debt capital market via its $2 billion Multicurrency Debt Issuance Programme where $950 million of the $2 billion remains available for issuance.

Subsequent to the year end, the Group has also obtained a S$400 million loan facility which can be used for refinancing, working capital, capital expenditure and other purposes (Note 49).

(vi) Fair value of financial assets and financial liabilities

The following table presents the asset and liabilities measured at fair value.

Financial assets/ financial liabilities	Fair value as at 31 December 2022 Assets $'000	2022 Liabilities $'000	2021 Assets $'000	2021 Liabilities $'000	Valuation techniques	Fair value hierarchy	Significant unobservable input	Sensitivity of unobservable inputs to fair value
Group								
Investments in financial assets designated as at FVTPL	**362,560**	**-**	-	-	Discounted cash flows which include assumptions not supported by observable market data	Level 3	(i) Gas volumes above the minimum volume commitment ("non-MVC") (ii) Growth rate of tariffs received for non-MVC volumes (iii) Discount rate	Note 2
Interest rate swaps	**79,051**	**(1,857)**	22,462	(9,785)	Note 1	Level 2	N.A	N.A
Foreign currency forward	**5,541**	**(3,885)**	3,983	(2,342)	Note 1	Level 2	N.A	N.A
Commodity swap	**-**	**(22)**	344	-	Note 1	Level 2	N.A	N.A

Note 1: The Group uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting period. Techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The models incorporate various inputs including the credit quality of counterparties and interest rate curves. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Note 2: Investment in financial assets designated as at FVTPL mainly refers to the investment in Aramco Gas Pipelines Company ("AGPC"). Quarterly tariff payments received are backed by a minimum volume commitment from Aramco. The discounted cash flows include projection of gas volumes and tariff payments for the non-MVC volumes. The volume projections were provided by an external consultant based on the expected future economic outlook of Saudi Arabia, local policies, supply and demand of oil and gas etc.

Assuming all other variables were held constant, if the following significant unobservable inputs increased/decreased by 1%, the fair value of the investment in AGPC would increase/(decrease) by:

(i) Non-MVC volumes: $1.9 million / ($1.9 million)
(ii) Growth rate of tariffs received on non-MVC volumes from Aramco: $13.9 million / ($12.9 million)
(iii) Discount rate: ($22.9 million) / $25.5 million

(i) Assets and liabilities measured at fair value

Financial assets/ financial liabilities	Fair value as at 2022 Assets $'000	2022 Liabilities $'000	2021 Assets $'000	2021 Liabilities $'000	Valuation technique(s) and key input(s)
Trust					
Interest rate swaps	**1,954**	**-**	-	(204)	The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting period. Techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The models incorporate various inputs including the credit quality of counterparties and interest rate curves. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
Foreign currency forward	**4,674**	**-**	1,865	(787)	

There were no transfer between the different levels of the fair value hierarchy during the financial years ended 31 December 2022 and 2021.

4. Financial Instruments, Financial Risks and Capital Management (continued)

(b) Financial risk management policies and objectives (continued)

(vi) Fair value of financial assets and financial liabilities (continued)

(ii) Fair value of the Group and Trust's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Trustee-Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the financial statements approximate their fair values, unless otherwise stated in the respective notes to the financial statements.

(c) Capital management policies and objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to support its businesses and maximise unitholders' value.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of distribution payment, return capital to unitholders, issue new units, buy back issued units, issue perpetual securities, obtain new borrowings or sell assets to reduce borrowings. The Group may also issue new units to finance future growth.

The Group seeks to raise non-recourse debt structured specifically to match the cash flow profile of its underlying assets. The Group's general philosophy on leverage is to ensure that its subsidiaries have sufficient financial flexibility to meet their capital expenditure and operational needs, and at the same time, service their debt obligations promptly and reliably.

In addition to bank covenants, debt service coverage ratios and other tests, the Trustee-Manager also monitors capital based on the ratio of the Group's net borrowings to total assets. Net borrowings are calculated as total borrowings less cash and bank deposits excluding notes payable to non-controlling interests. For the Trust, the Trustee-Manager monitors capital based on ratio of the Trust's net borrowings to total assets.

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Net borrowings	**2,371,436**	913,296	**893,439**	-
Total assets	**5,962,756**	4,500,783	**2,746,018**	2,207,539
Ratio	**40%**	20%	**33%**	0%

There are no externally imposed capital requirements for the financial years ended 31 December 2022 and 2021, other than the loan covenants disclosed in Note 22.

5. Related Party Transactions

Some of the Group's transactions and arrangements are with (a) the Trustee-Manager; and (b) the significant corporate unitholders, Keppel Corporation Limited and Temasek Holdings (Private) Limited, and their associates. The effect of these on the basis determined between the parties is reflected in these financial statements.

The following significant transactions between the Group and its related parties took place at terms agreed between the parties during the year:

		Group	
		2022 $'000	2021 $'000
Sale of goods and services	(i)	**127,632**	129,039
Purchases of goods and services	(i)	**(338,549)**	(282,840)
Operating lease expense	(ii)	**(1,023)**	(951)
Interest expense	(i)	**(43,200)**	(42,875)
Interest income	(i)	**3,788**	849
Professional fees	(i)	**(724)**	(794)
Trustee-Manager's fees	(iii)	**(48,808)**	(15,142)

(i) Received/receivable from and/or paid/payable to subsidiaries of the substantial unitholders of the Trust and Trustee-Manager.
(ii) Relates to short-term operating lease arrangements with related parties of the Group for leasing of office premises and galleries.
(iii) The Trust Deed sets out the management fee arrangements between the Trust and the Trustee-Manager in relation to the management of the Trust. The fee structure for these services is disclosed in Note 41.

6. Property, Plant and Equipment

	Freehold land $'000	Building and leasehold land[2] $'000	Easements $'000	Inter-connector and related plant and machinery $'000	Power plant $'000	Other plant and machinery[3] $'000	Computers, vehicles, furniture, fittings and equipment $'000	Stand-by equipment and assets under construction $'000	Total $'000
Group									
Cost:									
At 1 January 2021	56,710	28,163	1,631	1,002,327	1,625,032	411,108	9,581	29,046	3,163,598
Additions	-	87	-	-	1,164	6,589	19	24,800	32,659
Acquisition of subsidiaries (Note 48)	-	608	-	-	-	5,376	-	62	6,046
Written off	-	-	-	-	-	(500)	-	-	(500)
Disposals	-	-	-	-	-	(520)	(37)	-	(557)
Discontinued operation (Note 44)	(1,449)	-	(1,676)	(1,030,498)	-	-	(3,027)	(2,891)	(1,039,541)
Currency translation differences	(610)	(230)	45	29,446	-	(3,911)	1,647	1,147	27,534
Reclassification	-	-	-	7,187	-	6,784	-	(13,971)	-
Adjustment to decommissioning cost[1] (Note 24)	-	-	-	(8,462)	-	-	-	-	(8,462)
At 31 December 2021	**54,651**	**28,628**	**-**	**-**	**1,626,196**	**424,926**	**8,183**	**38,193**	**2,180,777**
Additions	**-**	**-**	**-**	**-**	**16,840**	**10,668**	**1,742**	**10,233**	**39,483**
Acquisition of subsidiaries (Note 48)	**87,443**	**29,718**	**-**	**-**	**-**	**144,117**	**4,201**	**7,371**	**272,850**
Written off	**-**	**-**	**-**	**-**	**-**	**(6)**	**(333)**	**-**	**(339)**
Disposals	**-**	**-**	**-**	**-**	**-**	**(1,378)**	**(83)**	**-**	**(1,461)**
Disposal of a subsidiary	**-**	**(1,078)**	**-**	**-**	**-**	**(3,827)**	**-**	**-**	**(4,905)**
Currency translation differences	**(5,458)**	**(2,280)**	**-**	**-**	**-**	**(25,583)**	**(111)**	**(1,436)**	**(34,868)**
Reclassification (Note 8)	**-**	**-**	**-**	**-**	**-**	**12,840**	**24**	**(11,342)**	**1,522**
At 31 December 2022	**136,636**	**54,988**	**-**	**-**	**1,643,036**	**561,757**	**13,623**	**43,019**	**2,453,059**
Accumulated depreciation and impairment:									
At 1 January 2021	-	7,479	563	289,044	394,218	153,292	8,533	-	853,129
Depreciation charge	-	1,141	37	14,355	75,905	38,871	558	-	130,867
Written off	-	-	-	-	-	(500)	-	-	(500)
Impairment loss[4]	-	489	-	-	-	5,850	-	-	6,339
Disposals	-	-	-	-	-	(170)	(14)	-	(184)
Discontinued operation (Note 44)	-	-	(615)	(311,514)	-	-	(1,724)	-	(313,853)
Currency translation differences	-	(48)	15	8,115	-	(2,037)	33	-	6,078
At 31 December 2021	**-**	**9,061**	**-**	**-**	**470,123**	**195,306**	**7,386**	**-**	**681,876**
Depreciation charge	**-**	**1,430**	**-**	**-**	**76,619**	**37,741**	**685**	**-**	**116,475**
Written off	**-**	**-**	**-**	**-**	**-**	**(6)**	**(329)**	**-**	**(335)**
Disposals	**-**	**-**	**-**	**-**	**-**	**(403)**	**(83)**	**-**	**(486)**
Disposal of a subsidiary	**-**	**(679)**	**-**	**-**	**-**	**(3,645)**	**-**	**-**	**(4,324)**
Currency translation differences	**-**	**(668)**	**-**	**-**	**-**	**(7,209)**	**(9)**	**-**	**(7,886)**
At 31 December 2022	**-**	**9,144**	**-**	**-**	**546,742**	**221,784**	**7,650**	**-**	**785,320**
Carrying amount:									
At 31 December 2021	54,651	19,567	-	-	1,156,073	229,620	797	38,193	1,498,901
At 31 December 2022	**136,636**	**45,844**	**-**	**-**	**1,096,294**	**339,973**	**5,973**	**43,019**	**1,667,739**

1 This relates to the movement in the provision for decommissioning costs during the financial year (Note 24).
2 Included in this category are two pieces of land with carrying amount of $10,220,000 (2021: $Nil) which are leased to collect rental income. The addition of these land was part of the business combination in relation to the acquisition of EMK during the year. The two pieces of land are carried at cost less accumulated depreciation and have a useful life of 10 years.
3 Included in this category is a carrying amount of $4,414,000 (2021: $4,321,000) which pertains to plant and machinery under the gas segment with useful lives ranging from 14 to 25 years.
4 In 2021, the Group received notice from a significant long-term customer that the customer will be ceasing operations within 12 months and therefore no longer purchasing from the Group. This has resulted in the closure of a plant and subsequently, the recognition of an impairment loss of $6,339,000.

Certain property, plant and equipment with carrying amount of $561,148,000 (2021: $329,093,000) are pledged as security for borrowings (Note 22).

7. Right-Of-Use Assets

The Group leases several leasehold land and buildings, warehouse and retail spaces, plant and equipment, computers, vehicles, furniture, fittings and equipment. The average lease term ranges from 3 to 60 years (2021: 1 to 44 years).

Certain leases for computers, vehicles, furniture, fittings and equipment, warehouse spaces and an office building expired during the year and were either replaced by new leases for identical underlying assets or extended through exercising the extension options. This resulted in additions to right-of-use assets of $11,334,000 (2021: $6,362,000) in 2022.

Group	Land, buildings, office, warehouse and retail space $'000	Computers, vehicles, furniture, fittings and equipment $'000	Total $'000
Cost:			
At 1 January 2021	102,724	41,468	144,192
Acquisition of subsidiaries (Note 48)	2,240	-	2,240
Discontinued operation (Note 44)	(480)	-	(480)
Additions	5,298	1,064	6,362
Termination and retirement	(6,151)	(3,579)	(9,730)
Currency translation differences	(900)	(236)	(1,136)
At 31 December 2021	**102,731**	**38,717**	**141,448**
Acquisition of subsidiaries (Note 48)	**3,515**	**920**	**4,435**
Disposal of a subsidiary	**(385)**	**(375)**	**(760)**
Additions	**3,679**	**7,655**	**11,334**
Termination and retirement	**(558)**	**(3,488)**	**(4,046)**
Currency translation differences	**(3,854)**	**(1,985)**	**(5,839)**
At 31 December 2022	**105,128**	**41,444**	**146,572**
Accumulated depreciation:			
At 1 January 2021	18,967	12,473	31,440
Discontinued operation (Note 44)	(177)	-	(177)
Depreciation charge	8,345	6,603	14,948
Impairment loss	2,328	-	2,328
Termination and retirement	(6,150)	(3,530)	(9,680)
Currency translation differences	(261)	(232)	(493)
At 31 December 2021	**23,052**	**15,314**	**38,366**
Disposal of a subsidiary	**(34)**	**(20)**	**(54)**
Depreciation charge	**8,622**	**6,065**	**14,687**
Termination and retirement	**(476)**	**(3,473)**	**(3,949)**
Currency translation differences	**(1,161)**	**(1,037)**	**(2,198)**
At 31 December 2022	**30,003**	**16,849**	**46,852**
Carrying amount:			
At 31 December 2021	79,679	23,403	103,082
At 31 December 2022	**75,125**	**24,595**	**99,720**

In 2021, the Group received notice from a significant long-term customer that the customer will be ceasing operations within 12 months and therefore no longer purchasing from the Group. This had resulted in the closure of a plant and subsequently, a recognition of an impairment loss of $2,328,000.

8. Intangibles

	Group 2022 $'000	Group 2021 $'000
Goodwill arising on consolidation	**1,145,221**	826,775
Concession arrangements	**13,520**	16,779
Customer contracts and relationships	**391,605**	63,498
Software	**8,264**	6,041
	413,389	86,318
	1,558,610	913,093

Movements during the year are as follow:

	Goodwill $'000	Concession arrangements $'000	Customer contracts and relationships $'000	Software $'000	Total $'000
Cost:					
At 1 January 2021	881,939	38,234	270,746	16,599	1,207,518
Acquisition of subsidiaries (Note 48)	4,674	-	5,764	54	10,492
Additions	-	-	1,773	4,210	5,983
Written off	-	-	-	(2,502)	(2,502)
Discontinued operation (Note 44)	(56,895)	-	(42,298)	-	(99,193)
Currency translation Differences	(2,943)	-	(101)	(278)	(3,322)
At 31 December 2021	**826,775**	**38,234**	**235,884**	**18,083**	**1,118,976**
Acquisition of subsidiaries (Note 48)	**354,279**	**-**	**359,763**	**465**	**714,507**
Additions	**-**	**-**	**-**	**4,939**	**4,939**
Reclassification (Note 6)	**-**	**-**	**-**	**(1,522)**	**(1,522)**
Discontinued operation (Note 44)	**-**	**-**	**-**	**-**	**-**
Currency translation differences	**(35,833)**	**-**	**(14,195)**	**(1,195)**	**(51,223)**
At 31 December 2022	**1,145,221**	**38,234**	**581,452**	**20,770**	**1,785,677**
Accumulated amortisation and impairment:					
At 1 January 2021	-	18,197	163,750	10,173	192,120
Amortisation	-	3,258	21,816	3,801	28,875
Written off	-	-	-	(1,736)	(1,736)
Impairment	-	-	3,116	-	3,116
Discontinued operation (Note 44)	-	-	(15,532)	-	(15,532)
Currency translation differences	-	-	(764)	(196)	(960)
At 31 December 2021	**-**	**21,455**	**172,386**	**12,042**	**205,883**
Amortisation	**-**	**3,259**	**21,064**	**1,199**	**25,522**
Discontinued operation (Note 44)	**-**	**-**	**-**	**-**	**-**
Currency translation differences	**-**	**-**	**(3,603)**	**(735)**	**(4,338)**
At 31 December 2022	**-**	**24,714**	**189,847**	**12,506**	**227,067**
Carrying amount:					
At 31 December 2021	826,775	16,779	63,498	6,041	913,093
At 31 December 2022	**1,145,221**	**13,520**	**391,605**	**8,264**	**1,558,610**

(a) Goodwill arising on consolidation

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGU") that are expected to benefit from that business combination. The Group is structured into three business segments, Energy Transition, Distribution & Storage and Environmental Services. Based on the relative fair value approach, the goodwill arising from the Crystal Assets Acquisition and Ixom Acquisition was allocated to the Energy Transition and Distribution & Storage business segments.

In 2021, the Trust, through its Ixom sub-group, acquired Australian Botanical Products Pty Ltd ("ABP") and SCR Solutions Limited ("SCR"), which principal activities include supply of essential oils, carrier oils, raw materials and fragrances, and manufacture and distribute emissions reduction solution.

8. Intangibles (continued)

(a) Goodwill arising on consolidation (continued)

During the year, the Trust, through its Ixom sub-group, acquired Bituminous Products Holdings Pty. Ltd., ("Bituminous Products") which is one of Australia's leading manufacturers and suppliers of bitumen-based and associated products for road surfacing and general industrial use.

On 20 October 2022 the Trust, through its subsidiary One Eco Co., Ltd, also acquired Eco Management Korea Holdings Co., Ltd ("EMK"), whose principal activities include the waste treatment and recycling and waste-to-energy services, as disclosed in Note 48.

Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

Group	Carrying amount $'000	Terminal growth rate %	Pre-tax discount rate %
2022			
Environmental services:			
EMK	**305,366**	**1.0**	**10.1**
Energy Transition:			
City Energy	**379,497**	**1.8**	**8.0**
Distribution & Storage:			
Ixom	**460,358**	**2.5**	**11.6**
2021			
Energy Transition:			
City Energy	379,497	1.8	8.0
Distribution & Storage:			
Ixom	447,278	2.5	11.6

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

The recoverable values of the CGUs are determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates, terminal value and expected changes to selling prices and direct costs and ability to secure adequate banking facilities during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on the industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Trustee-Manager for the next five years for Ixom, for a period of more than five years for City Energy as it is currently the sole producer and retailer of town gas as well as for a period for the next five years for EMK.

Sensitivity analysis

Based on the value-in-use calculations as determined by the Trustee-Manager, an increase or decrease by 1 percentage point to the discount rates used in the assessment will affect the value-in-use as follows:

	2022		2021	
	Increase $'000	**Decrease $'000**	Increase $'000	Decrease $'000
Environmental services:				
EMK	**(62,017)**	**75,829**	-	-
Energy Transition:				
City Energy	**(105,885)**	**146,724**	(101,940)	141,194
Distribution & Storage:				
Ixom	**(191,265)**	**250,498**	(147,176)	193,636

Any reasonable possible change to the key assumptions applied, including the discount rates used as detailed above, is not likely to cause the recoverable amounts to be below the carrying amounts of the CGUs.

No impairment was considered necessary for the current and prior years.

(b) Concession arrangements, customer contracts and relationships

The intangible assets recognised on concession arrangements represent the rights to charge users of the public service under the Group's operating concessions. They have remaining amortisation period of 1.67 to 11.84 years (2021: 2.67 to 12.84 years).

The intangible assets recognised on customer contracts and relationships were in relation to contractual agreements that two of the subsidiaries have with their sole customer, as well as contracts entered into between a subsidiary and its long-time customers. These have remaining amortisation period of 1 to 26 years (2021: 1 to 9 years). In 2021, a long-term customer advised they would be ceasing operations and therefore no longer be purchasing from one of the subsidiary (Note 42).

9. Investment in Subsidiaries

	Trust	
	2022 **$'000**	2021 $'000
Investments, at cost	**1,627,675**	867,948
Advances to subsidiaries	**902,845**	646,324
Less: Allowance for impairment	**(660,638)**	(580,457)
	1,869,882	933,815
Movement in allowance account:		
Beginning of year	**580,457**	504,171
Charge for the year	**80,181**	76,286
End of year	**660,638**	580,457

Advances to subsidiaries are quasi-equity loans which represent an extension of investment in the subsidiaries. They are unsecured and interest-free. Settlements are neither planned nor likely to occur in the foreseeable future.

Details of the Group's significant subsidiaries at the end of financial year are as follows:

Name of subsidiaries	**Principal activities (Country of incorporation or residence)**	**Proportion of ownership interest and voting power held**	
		2022 **%**	2021 %
City Energy Pte. Ltd.(1a) (1g)	Trustee of City Energy Trust (Singapore)	**100**	100
City Energy Trust(1a)	Production and retail of town gas, retail of natural gas and sales of gas appliances (Singapore)	**100**	100
SingSpring Pte. Ltd.(1a) (1g)	Trustee of SingSpring Trust (Singapore)	**100**	100
SingSpring Trust(1a)	Operation of a seawater desalination plant (Singapore)	**100**	70
CityLink Investments Pte. Ltd.(1a) (1g)	Investment holding (Singapore)	**100**	100
CitySpring Capital Pte. Ltd.(1a) (1g)	Provision of financial and treasury services (Singapore)	**100**	100
CityDC Pte. Ltd.(1a) (1g) (5)	Investment holding (Singapore)	**-**	100
Keppel Merlimau Cogen Pte Ltd(1a)	Tolling arrangement for a power plant (Singapore)	**51**	51
Senoko Waste-To-Energy Pte. Ltd.(1a) (1g)	Trustee of Senoko Trust (Singapore)	**100**	100
Senoko Trust(1a)	Collection and treatment of solid waste to generate green energy (Singapore)	**100**	100
Keppel Seghers NEWater Development Co Pte. Ltd.(1a) (1g)	Trustee of Ulu Pandan Trust (Singapore)	**100**	100
Ulu Pandan Trust(1a)	Collection, purification and distribution of water (Singapore)	**100**	100
Keppel Seghers Tuas Waste-To-Energy Plant Pte. Ltd.(1a) (1g)	Trustee of Tuas DBOO Trust (Singapore)	**100**	100
Tuas DBOO Trust(1a)	Collection and treatment of solid waste to generate green energy (Singapore)	**100**	100
City-OG Gas Energy Services Pte. Ltd.(1a) (1g)	Retailing of natural gas and related activities (Singapore)	**51**	51
Ix Holdings Pte. Ltd.(1a) (1g)	Investment holding (Singapore)	**100**	100
City Energy Go Pte. Ltd.(1a)	Sale of electricity to users of electric vehicles at charging stations (Singapore)	**100**	100
Bay Terminal Holdings Pte. Ltd.(1a) (1g)	Investment holding (Singapore)	**100**	100
Bay Terminal Infrastructure Pte. Ltd.(1a) (1g)	Investment holding (Singapore)	**100**	100
Nexus Australia Management Pty Ltd*	Trustee (Australia)	**-**	-
Coral Holdings Australia Pty Ltd*	Investment holding (Australia)	**-**	-
Premier Finance Trust Australia*	Finance trust (Australia)	**-**	-
Nexus Investments Australia Pty Ltd*	Investment holding (Australia)	**-**	-
Basslink Australia GP Pty Ltd*	Investment holding (Australia)	**-**	-
Basslink Australia LLP*	Investment holding (Australia)	**-**	-

9. Investment in Subsidiaries (continued)

Name of subsidiaries	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting power held 2022 %	2021 %
Basslink Pty Ltd*	Operation of subsea electricity interconnector (Australia)	-	-
Basslink Telecoms Pty Ltd*	Operation of telecom business (Australia)	-	-
Basslink Holdings Pty Ltd*	Investment holding (Cayman Islands)	-	-
IX Infrastructure Pty Ltd(1b)	Investment holding (Australia)	100	100
Ixom HoldCo Pty Ltd^(1b)	Investment holding (Australia)	100	100
Ixom Pty Ltd^(1b)	Investment holding (Australia)	100	100
Ixom Holdings Pty Ltd^(1b)	Investment holding (Australia)	100	100
Ixom Operations Pty Ltd^(1b)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Australia)	100	100
Ixom Finance Pty Ltd^(1b)	Provision of financial and treasury services (Australia)	100	100
Bronson & Jacobs Pty Ltd^(1b)	Investment holding (Australia)	100	100
Ixom International Holdings Pty Ltd^(1b)	Investment holding (Australia)	100	100
Australian Botanical Products Pty Ltd^(1b)	Supply of essential oils, carrier oils, raw materials and fragrances (Australia)	100	100
Sydney Essential Oil Co Pty Ltd^(1b)	Dormant (Australia)	100	100
Bronson And Jacobs (S.E. Asia) Pte Limited^(1g)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Singapore)	100	100
PT Bronson & Jacobs Indonesia^(1g)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Indonesia)	100	100
Bronson & Jacobs (Malaysia) Sdn Bhd^(1g)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Malaysia)	100	100
Bronson & Jacobs International Company Ltd^(1g) (4)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Thailand)	49	49
Miex UK Limited^(1g)	Sale of water treatment infrastructure and facilities and related services (UK)	100	100
Ixom Watercare Inc^(1g)	Sale of water treatment infrastructure and facilities and related services (USA)	100	100
Ixom Finance New Zealand Limited^(1g)	Provision of financial and treasury services (New Zealand)	100	100
Central Pacific Chemicals Ltd^(1g) (6)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (Fiji)	-	100
Ixom Chemicals Trading Agency (Beijing) Co. Ltd^(1g)	Supply and distribution of water treatment chemicals, industrial and specialty chemicals (China)	100	100
Bituminous Products Holdings Pty Ltd^(1b) (3)	Investment holding (Australia)	100	-
Bituminous Products Pty Ltd^(1b) (3)	Supply of bitument-based products and associated products for road surfacing and general industrial use (Australia)	100	-
Bay Philippines Holdings Corporation(1f)	Investment holding (Philippines)	100	100
Saturn1 Infrastructure Holdings Pte. Ltd.(1a) (1g) (2)	Investment holding (Singapore)	100	-
Windy EU Holdings Pte. Ltd.(1a) (1g) (2)	Investment holding (Singapore)	82	-
Neptune1 Infrastructure Holdings Pte. Ltd.(1a) (1g) (2)	Investment holding (Singapore)	82	-
One Eco Co., Ltd(1c) (2)	Investment holding (South Korea)	52	-
Eco Management Korea Holdings Inc.# (1c) (3)	Investment holding (South Korea)	52	-
Korea Environmental Development Co., Ltd# (1c) (3)	Collection and treatment of waste and sale of steam from waste incineration (South Korea)	52	-
Vinotec Co., Ltd# (1c) (3)	Collection and treatment of solid waste and sale of by-products (hot water and electricity) from waste incineration (South Korea)	52	-
EMK SeungKyung Co., Ltd# (1d) (3)	Collection and treatment of waste and sale of steam from waste incineration (South Korea)	52	-

Name of subsidiaries	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting power held	
		2022 %	2021 %
Dana Energy Solution Co., Ltd# (1d) (3)	Collection and treatment of waste and sale of steam from waste incineration (South Korea)	**52**	-
Green Energy Co., Ltd# (1c) (3)	Production and sale of refined oil (South Korea)	**52**	-
EMK Ulsan Co., Ltd.# (1g) (3)	Disposal of liquid waste and solidification of scattering materials (South Korea)	**52**	-
Top Eco Co., Ltd# (1g) (3)	Disposal of liquid waste and production of wasted derived fuel (South Korea)	**52**	-
KD Environment Co., Ltd# (1e) (3)	Operation of waste landfills (South Korea)	**52**	-

* Collectively known as Basslink and has been placed into voluntary administration and was deconsolidated from the Group as at 12 November 2021.
^ Collectively known as Ixom.
\# Collectively known as Eco Management Korea ("EMK").
(1a) Audited by Deloitte & Touche LLP, Singapore.
(1b) Audited by Deloitte Touche Tohmatsu, Australia for the Group's consolidation purpose.
(1c) Audited by KPMG Samjong Accounting Corp., South Korea.
(1d) Audited by Jung-In Accounting Corp., South Korea.
(1e) Audited by Joong-Ang Accounting Corp., South Korea.
(1f) Audited by EY SGV & Co., Philippines.
(1g) Not material for the Group's consolidation purpose.
(2) Incorporated during the financial year.
(3) Acquired during the financial year.
(4) Management has determined the existence of control, based on the right to appoint and remove a majority of board members. The relevant activities are determined based on simple majority votes.
(5) Liquidated during the financial year.
(6) Divested during the financial year.

Disposal of subsidiaries

During the year, the Trust, through its Ixom sub-group, completed the divestment of Central Pacific Chemicals Ltd on 31 January 2022. The book value of the net assets of the subsidiaries disposed were as follows:

	$'000
Property, plant and equipment	(581)
Right-of-use assets	(706)
Deferred tax assets	(243)
Inventories	(375)
Financial assets	(807)
Financial liabilities	34
Lease liabilities	713
Provisions	186
Net assets derecognised	**(1,779)**
Consideration received	2,351
Foreign currency translation reserves realised	(113)
Gain on disposal	**459**
Net cash inflow on disposal:	
Cash consideration	2,351
Transaction cost	(60)
Less: Cash and cash equivalents disposed of	(205)
	2,086

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by NCI	
		2022 %	2021 %
SingSpring Trust	Singapore	**-**	30
Keppel Merlimau Cogen Pte Ltd	Singapore	**49**	49
Neptune1 Infrastructure Holdings Pte. Ltd.	Singapore	**18**	-
One Eco Co., Ltd*	South Korea	**48**	-

* This represents the consolidated One Eco Co., Ltd and its subsidiaries.

9. Investment in Subsidiaries (continued)

Interest in subsidiaries with material non-controlling interests ("NCI") (continued)

The following schedule shows the effects of changes in the Group's ownership interest in SingSpring Trust that did not result in change of control, on the equity attributable to owners of the parent.

	2022 $'000
Consideration paid to NCI	12,000
Carrying amount of NCI acquired	(4,360)
Other adjustments[1]	(15,144)
Increase in capital reserves (Note 32)	(7,504)

(1) As part of the acquisition, outstanding notes payable and related unpaid accrued interest due to Hyflux Ltd by SingSpring Desalination Plant was novated to KIT.

Summarised financial information of subsidiaries with material NCI

Summarised financial information and consolidation adjustments but before intragroup eliminations are as follows:

Keppel Merlimau Cogen Pte Ltd

Summarised statement of financial position

	2022 $'000	2021 $'000
Current assets	160,331	149,175
Current liabilities	(212,322)	(113,762)
Net current (liabilities)/assets	(51,991)	35,413
Non-current assets	1,311,987	1,328,266
Non-current liabilities	(1,257,053)	(1,323,756)
Net non-current assets	54,934	4,510
Net assets	2,943	39,923
Equity attributable to unitholders of the Trust	4,889	22,389
NCI	(1,946)	17,534

Summarised statement of profit or loss and other comprehensive income

	2022 $'000	2021 $'000
Revenue	132,226	132,272
Loss before tax	(71,486)	(69,965)
Income tax credit	2,140	2,394
Loss for the year	(69,346)	(67,571)
Loss attributable to unitholders of the Trust	(34,090)	(33,184)
Loss attributable to NCI	(35,256)	(34,387)
Loss for the year	(69,346)	(67,571)
Other comprehensive income attributable to unitholders of the Trust	16,419	10,862
Other comprehensive income attributable to NCI	15,776	10,436
Other comprehensive income for the year	32,195	21,298
Total comprehensive income attributable to unitholders of the Trust	(17,671)	(22,322)
Total comprehensive income attributable to NCI	(19,480)	(23,951)
Total comprehensive income for the year	(37,151)	(46,273)
Other summarised information		
Net cash from operating activities	17,841	40,971

Neptune1 Infrastructure Holdings Pte. Ltd.

Summarised group statement of financial position

	2022 $'000
Current assets	15,496
Current liabilities	(2,640)
Net current assets	12,856
Non-current assets	429,699
Non-current liabilities	-
Net non-current assets	429,699
Net assets	442,555
Equity attributable to unitholders of the Trust	362,895
NCI	79,660

Summarised group statement of profit or loss and other comprehensive income

	For the period from 22 December 2022 to 31 December 2022 $'000
Revenue	-
Share of results in a joint venture	1,132
Profit before tax	1,664
Income tax expense	-
Profit for the year	1,664
Profit attributable to unitholders of the Trust	1,364
Profit attributable to NCI	300
Profit for the year	1,664
Other comprehensive loss attributable to unitholders of the Trust	(1,474)
Other comprehensive loss attributable to NCI	(324)
Other comprehensive income for the year	(1,798)
Total comprehensive income attributable to unitholders of the Trust	(110)
Total comprehensive income attributable to NCI	(24)
Total comprehensive income for the year	(134)
Other summarised information	
Net cash from operating activities	2,551

9. Investment in Subsidiaries (continued)

Summarised financial information of subsidiaries with material NCI (continued)

One Eco Co., Ltd

Summarised group statement of financial position

	2022 $'000
Current assets	50,673
Current liabilities	(23,781)
Net current assets	26,892
Non-current assets	880,620
Non-current liabilities	(410,542)
Net non-current assets	470,078
Net assets	496,970
Equity attributable to unitholders of the Trust	258,424
NCI	238,546

Summarised group statement of profit or loss and other comprehensive income

	For the period from 20 October 2022 to 31 December 2022 $'000
Revenue	20,766
Loss before tax	(7,118)
Income tax credit	4,884
Loss for the year	(2,234)
Loss attributable to unitholders of the Trust	(1,162)
Loss attributable to NCI	(1,072)
Loss for the year	(2,234)
Other comprehensive loss attributable to unitholders of the Trust	(6,491)
Other comprehensive loss attributable to NCI	(5,991)
Other comprehensive income for the year	(12,482)
Total comprehensive income attributable to unitholders of the Trust	(7,653)
Total comprehensive income attributable to NCI	(7,063)
Total comprehensive income for the year	(14,716)
Other summarised information	
Net cash from operating activities	4,545

There are no significant restrictions on the ability of the group to access or use assets and settle liabilities.

Impairment testing of investment in subsidiaries

During the year, the Trustee-Manager performed an impairment assessment for the Trust's investments in its subsidiaries. Allowances for impairment was recognised for the following:

SingSpring Trust, Senoko Trust, Ulu Pandan Trust and Tuas DBOO Trust ("subtrusts") and Keppel Merlimau Cogen Pte Ltd ("KMC")

On 18 May 2015, the Trust acquired the businesses of collection, purification and distribution of water and waste incineration and electricity generation from Crystal Trust through the acquisition of Ulu Pandan Trust, Keppel Seghers NEWater Development Co Pte. Ltd., Senoko Trust, Senoko Waste-To-Energy Pte. Ltd., Tuas DBOO Trust and Keppel Seghers Tuas Waste-To-Energy Pte. Ltd., collectively known as the Crystal Assets, for a total purchase consideration of $729 million via the issue of 1,326,319,374 new units for acquisition (Crystal Assets Acquisition).The purchase consideration was determined based on (a) the fixed exchange ratio of 2.106 units of the Trust for every unit in Crystal Trust; and (b) the quoted unit price of the Trust as at the completion date.

On 30 June 2015, the Trust acquired a 51% equity stake in KMC which owns the Keppel Merlimau Cogen power plant, a combined cycle gas turbine generation facility at Jurong Island. The total purchase consideration of $510 million was financed by an equity fund raising, of which $255 million was paid to the vendor and $255 million was injected via Qualifying Project Debt Securities ("QPDS") Notes.

On 30 June 2022, the Trust acquired the remaining 30% equity stake in Singspring Trust ("SST") which owns SingSpring Desalination Plant. The total purchase consideration was $12 million, of which $3 million of QPDS previously held by non-controlling interests was purchased.

The service concessions of the subtrusts (Note 14) and KMC's plant have finite lives and the recoverable amounts of the Trust's investments are expected to decrease in tandem with the remaining service concession periods and plant life, respectively.

During the year, the Trustee-Manager performed an impairment assessment on the costs of investment in the subtrusts and KMC against their recoverable amounts and allowances for impairment of $26.6 million (2021: Nil), $16.1 million (2021: $8.2 million) and $37.4 million (2021: $54.7 million) were recognised in profit or loss for the investments in SingSpring Trust, Tuas DBOO Trust and KMC respectively.

In 2021, allowance for impairment of $13.4 million was recognised in profit or loss for the investment in Senoko Trust.

The recoverable amount was determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to tariffs and direct costs during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the subtrusts and KMC. The growth rates of 2.0% (2021: 2.0%) per annum used are based on the industry growth forecasts. Changes in tariffs and direct costs are based on past practices and current contractual agreements.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Trustee-Manager covering a period of 1.67 to 11.84 years (2021: 2.67 to 12.84 years) for the subtrusts and 18.5 years (2021: 19.5 years) for KMC based on the current contractual agreements with the major customers. The discount rates used were 5.8% (2021: 4.2%) per annum for SingSpring Trust, 6.2% (2021: 4.2%) per annum for Tuas DBOO Trust, 6.2% per annum for KMC (2021: 4.7%), 6.2% per annum for Senoko Trust (2021: 4.7%) and 6.2% per annum for Ulu Pandan Trust (2021: 4.7%).

Sensitivity analysis
Based on the value-in-use calculations as determined by Trustee-Manager, an increase or decrease by 1 percentage point to the discount rates used in the assessment will affect the value-in-use as follows:

	2022		2021	
	Increase $'000	**Decrease $'000**	Increase $'000	Decrease $'000
SingSpring Trust	**(681)**	**770**	(4,548)	4,979
Senoko Trust	**(747)**	**763**	(1,685)	1,732
Ulu Pandan Trust	**(314)**	**325**	(890)	928
Tuas DBOO Trust	**(4,585)**	**4,969**	(6,162)	6,740
Keppel Merlimau Cogen Pte Ltd	**(76,863)**	**85,932**	(98,259)	110,914

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	**Place of incorporation and operation**	**Number of wholly-owned subsidiaries**	
		2022	2021
Collection and treatment of solid waste to generate green energy	Singapore	**2**	2
Collection, purification and distribution of water	Singapore	**1**	1
Investment holding	Singapore	**5**	5
Production and retail of town gas, retail of natural gas and sales of gas appliances	Singapore	**1**	1
Provision of financial and treasury services	Singapore	**1**	1
Supply and distribution of water treatment chemicals, industrial and speciality chemicals	Singapore	**1**	1
Sale of electricity to users of electric vehicles at charging stations	Singapore	**1**	1
Trustee	Singapore	**5**	5
Operation of a seawater desalination plant	Singapore	**1**	-
Provision of financial and treasury services	Australia	**1**	1
Investment holding	Australia	**7**	6
Supply of essential oils, carrier oils, raw materials and fragrances	Australia	**1**	1
Dormant	Australia	**1**	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Australia	**1**	1
Supply of bitument-based products and associated products	Australia	**1**	-
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	China	**1**	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Indonesia	**1**	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Malaysia	**1**	1
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Fiji	**-**	1
Investment holding	Philippines	**1**	1
Provision of financial and treasury services	New Zealand	**1**	1
Sale of water treatment infrastructure and facilities and related services	United Kingdom	**1**	1
Sale of water treatment infrastructure and facilities and related services	United States of America	**1**	1
		37	35

9. Investment in Subsidiaries (continued)

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2022	2021
Tolling arrangement for a power plant	Singapore	**1**	1
Retailing of natural gas and related activities	Singapore	**1**	1
Operation of a seawater desalination plant	Singapore	**-**	1
Investment holding	Singapore	**2**	-
Supply and distribution of water treatment chemicals, industrial and specialty chemicals	Thailand	**1**	1
Investment holding	South Korea	**2**	-
Collection and treatment of waste and sale of steam from waste incineration	South Korea	**3**	-
Collection and treatment of solid waste and sale of by-products (hot water and electricity) from waste incineration	South Korea	**1**	-
Disposal of liquid waste and solidification of scattering materials	South Korea	**1**	-
Disposal of liquid waste and production of wasted derived fuel	South Korea	**1**	-
Production and sale of refined oil	South Korea	**1**	-
Operation of waste landfills	South Korea	**1**	-
		15	4

10. Investment in Joint Venture

	Group	
	2022 $'000	2021 $'000
Cost of investment in joint venture	**458,052**	201,293
Share of post-acquisition profit, net dividend received	**(69,233)**	885
Share of reserves	**5,664**	-
Currency translation differences	**4,987**	4,101
	399,470	206,279

Details of the Group's joint venture at the end of financial year is as follows:

Name of joint venture	Principal activities (Country of incorporation or residence)	Proportion of ownership interest and voting rights held by the Group	
		2022 **%**	2021 %
KM Infrastructure Holdings, Inc.[1]	Investment holding (Philippines)	**50**	50
Razor Crest Storage Infrastructure Holdings Corporation[1]	Investment holding (Philippines)	**50**	50
Hyperion Storage Holdings Corporation[1]	Investment holding (Philippines)	**50**	50
Philippine Tank Storage International (Holdings) Inc. ("PTSI")[1]	Investment holding (Philippines)	**50**	50
Philippine Coastal Storage & Pipeline Coastal[1]	Petroleum products import storage facility (Philippines)	**50**	50
Wind Fund I AS[2][4][5]	Investment Holding (Norway)	**33.33**	-
Borkum Riffgrund 2 Investor Holding GmbH[3][4][6]	Investment Holding (Germany)	**50.01**	-

(1) Audited by SyCip Gorres Velayo & Co.
(2) Audited by KPMG Norway.
(3) Audited by PricewaterhouseCoopers GmbH Wirtschaftsprufungsgesellschaft.
(4) Acquired during the financial year.
(5) Held by non-wholly owned subsidiary, Windy EU Holdings Pte. Ltd.
(6) Held by non-wholly owned subsidiary, Neptune 1 Infrastructure Holdings Pte. Ltd.

The above joint venture is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in Note 2.

On 8 September 2022, Windy EU Holdings Pte. Ltd, together with its co-investment partners Kommunal Landspensjonskasse and MEAG MUNICH ERGO AssetManagement GmbH, through Wind Fund I AS, completed the acquisition of a 49% stake in onshore wind platforms in Norway and Sweden from Fred. Olsen Renewables. The initial investment is for 258MW of operating projects, with 1.3GW of pipeline potential across the Nordics and UK. Windy EU Holdings Pte. Ltd invested amount for the initial investment is approximately S$82.1 million (EUR58.6 million).

On 22 December 2022, Neptune1 Infrastructure Holdings Pte. Ltd., completed the acquisition of 50.01% interest in Borkum Riffgrund 2 Investor Holding GmbH (BKR2) which, together with Ørsted Wind Power A/S, holds the investment in an operating 465MW German offshore wind farm. The total purchase consideration is approximately S$427.5 million (EUR305 million) which was for the acquisition of the shares in BKR2 of approximately S$156.9 million (EUR110.3 million), together with shareholder loan (Note 12) and interest receivable of approximately S$270.8 million (EUR190.5 million) and S$6 million (EUR4.2 million) respectively.

Summarised financial information in respect of the group's material joint venture is set out below. The summarised financial information below represents amounts included in the financial statements of the joint venture, not the entity's share of these amounts, and are prepared in accordance with SFRS(I) Accounting Standards and are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments. Dividends received from the joint venture represent the actual amounts attributable and hence received by the group.

10. Investment in Joint Venture (continued)

KM Infrastructure Holdings Inc.

	2022 $'000	2021 $'000
Current assets	39,978	31,515
Non-current assets	700,406	763,045
Total assets	740,384	794,560
Current liabilities	10,612	7,401
Non-current liabilities	447,582	389,217
Total liabilities	458,194	396,618

The above amounts of assets and liabilities include the following:

	2022 $'000	2021 $'000
Cash and cash equivalents	31,390	24,931
Current financial liabilities (excluding trade and other payables and provisions)	(7,158)	(4,563)
Non-current financial liabilities (excluding trade and other payables and provisions)	(389,922)	(330,142)

	2022 $'000	2021 $'000
Revenue	57,651	45,691
(Loss)/Profit before tax	(121,440)	2,760
(Loss)/Profit for the year, representing total comprehensive income	(122,891)	1,770
The above (loss)/profit for the year include the following:		
Depreciation and amortisation expense	(14,142)	(17,741)
Interest income	13	10
Interest expense	(4,760)	(1,096)
Income tax expense	(1,451)	(923)

	2022 $'000	2021 $'000
Net assets of joint venture	282,190	397,942
Proportion of the Group's ownership	50%	50%
Group's share of net assets	141,095	198,971
Transaction costs	7,392	7,308
Carrying amount of the Group's interest in joint venture	148,487	206,279

Wind Fund I AS

	2022 $'000
Current assets	242
Non-current assets	231,124
Total assets	231,366
Current liabilities	31
Non-current liabilities	-
Total liabilities	31
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	242

	For the period from 8 September 2022 to 31 December 2022 $'000
Other income	16
Loss before tax	(10,217)
Loss for the year, representing total comprehensive income	(10,217)
The above loss for the year include the following:	
Interest income	16
Interest expense	(2)

	2022 $'000
Net assets of joint venture	231,335
Proportion of the Group's ownership	33.33%
Group's share of net assets	77,104
Transaction costs	7,073
Carrying amount of the Group's interest in joint venture	84,177

Capital expenditure, borne by Windy EU Holdings Pte. Ltd., contracted for in respect of further investment in additional onshore windfarms through Wind Fund I AS as at 31 December 2022 but not recognised in the financial statements amounted to $143,600,000.

Borkum Riffgrund 2 Investor Holding GmbH ("BKR2")

	2022 $'000
Current assets	860
Non-current assets	1,650,878
Total assets	1,651,738
Current liabilities	121,717
Non-current liabilities	1,215,541
Total liabilities	1,337,258
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	843
Current financial liabilities (excluding trade and other payables and provisions)	121,684
Non-current financial liabilities (excluding trade and other payables and provisions)	1,215,541

	For the period from 22 December 2022 to 31 December 2022 $'000
Other income	535
Profit before tax	2,263
Profit for the year, representing total comprehensive income	2,263
The above profit for the year include the following:	
Interest income	535
Interest expense	(1,516)

	2022 $'000
Net assets of joint venture	314,480
Proportion of the Group's ownership	50.01%
Group's share of net assets	157,271
Transaction costs	9,535
Carrying amount of the Group's interest in joint venture	166,806

The shares in BKR2 and its partnership interests in the windfarm are pledged for the benefit of the Security Trustee (Deutsche Trustee Company Limited) to secure BKR2's obligations under the bond financing. A transfer of such shares or partnership interests is restricted pursuant to the terms of the bond financing. No guarantee is provided by the Group in this regard.

11. Notes Receivables

	Trust	
	2022 $'000	2021 $'000
Notes issued by subsidiaries	**778,712**	775,712
Less: Allowance for impairment	**(96,155)**	(38,029)
	682,557	737,683

(a) The notes receivable of $195,570,000 (2021: $195,570,000) from a subsidiary matures in Year 2037 and bears interest payable quarterly in arrears with a one-time option for the subsidiary, on any interest payment date, to switch to a floating rate per annum equal to three-months Singapore Dollar Swap Offer Rate plus 2.5% per annum. The fixed interest rate for the notes is 13.0% (2021: 13.0%) per annum.

(b) The notes receivable of $38,000,000 (2021: $35,000,000) from a subsidiary matures in Year 2025 and bears interest payable quarterly in arrears with a one-time option for the subsidiary, on any interest payment date, to switch to a floating rate per annum equal to three-months Singapore Dollar Swap Offer Rate plus 2.5% per annum. The fixed interest rate for the notes is 6.5% (2021: 6.5%) per annum.

(c) The notes receivables of $82,584,000 (2021: $120,403,000), $91,473,000 (2021: $91,473,000) and $19,930,000 (2021: $40,237,000) from subsidiaries mature in Year 2024, 2028 and 2023 respectively. The fixed interest rate for the notes is 6.0% (2021: 6.0%) per annum, payable semi-annually.

(d) The notes receivable of $255,000,000 (2021: $255,000,000) from a subsidiary mature in Year 2040, with fixed interest rate of 17.5% (2021: 17.5%) per annum, payable quarterly.

The above notes are direct, unsecured and subordinated obligations of the subsidiaries, and can be redeemed at par by the subsidiaries prior to their maturity dates.

During the year, the Trustee-Manager performed an impairment assessment on the notes receivable against their recoverable amounts and allowances for impairment of $58.1 million (2021: $38.0 million) were recognised in profit or loss. Please refer to Note 9 for the key assumptions used for preparation of the value-in-use calculations.

The Trustee-Manager estimates that the carrying value of the notes receivables approximate their fair value as these notes may be redeemed prior to their maturity dates on any interest payment date, and taking into consideration its recoverable amount based on value-in-use calculations (Note 9).

12. Loan Receivables from Joint Venture

	Group
	2022 $'000
Loan receivable from BKR2 (Note 10)	**269,724**

As at 31 December 2022, the loan receivable from BKR2 amounted to $269,724,000 (EUR 190,456,000), bears interest at 7% per annum and due for repayment on 31 December 2040.

13. Amount Receivable from Subsidiaries

Included in the amount receivable from subsidiaries is an amount receivable of $3,387,000 (2021: $6,387,000) from a subsidiary which is non-trade related, unsecured, repayable in 2024, and bears interest at margin plus 1-month SOR. The weighted average effective interest rate on the amount receivable approximates 2.37% (2021: 1.02%) per annum. The Trustee-Manager estimates that the carrying value of the amount receivable from a subsidiary approximate its fair value as the loan amount receivable bears interest at floating rates.

Other receivable from subsidiaries is interest free and repayable when the subsidiary's senior debts are repaid.

For the purpose of impairment assessment, the amount receivable from a subsidiary is considered to have low credit risk as it is not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the amount receivable from a subsidiary since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowances is measured at an amount equal to 12-month expected credit losses ("ECL").

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the subsidiary, adjusted for the factors that are specific to the subsidiary and general economic conditions of the industry in which the subsidiary operate, in estimating the probability of default of this financial asset occurring within its loss assessment time horizon, as well as the loss upon default.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amount receivable.

14. Service Concession Receivables

	Group	
	2022 **$'000**	2021 $'000
Service concession receivables	**184,628**	235,185
Less: Due within 12 months	**(52,024)**	(50,576)
Due after 12 months	**132,604**	184,609

This relates to service concession receivables from the following plants:

(a) Senoko Plant
A 15-year contract commencing on 1 September 2009 to own and operate an incinerator plant with a requirement to carry out the Flue Gas Treatment Upgrade, which has contracted incineration capacity of 2,100 tonnes per day with six incinerator-boiler units and two condensing turbine-generators with a power generation capacity of 2x28MW. On 26 September 2014, the subtrust entered into a supplemental agreement to progressively increase the incineration capacity of the plant by up to 10% and the upgrading work was completed in September 2016, increasing capacity to 2,310 tonnes per day. The subtrust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of usage of the plant.

(b) Tuas DBOO Plant
A 25-year Design-Build-Own-Operate ("DBOO") contract commencing on 30 October 2009 to design, build, own and operate a waste-to-energy plant, which has contracted incineration capacity of 800 tonnes per day with two incinerator-boiler units and one condensing turbine-generator with a power generation capacity of 22MW. The subtrust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of usage of the plant.

(c) Ulu Pandan Plant
A 20-year DBOO contract commencing on 28 March 2007 to design, build, own and operate a water treatment plant, which has the capacity to produce 148,000m3 of NEWater daily. The subtrust has a contractual right under the concession arrangement to receive fixed and determinable amounts of payment during the concession period irrespective of the output produced.

In arriving at the carrying value of the service concession arrangements as at the end of the reporting period, weighted average interest rates ranging from 2.50% to 4.68% (2021: 2.50% to 4.68%) per annum were used to discount the future expected cash flows.

Service concession receivable balances are secured over the period of the service concession arrangements. For the purpose of impairment assessment, service concession receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL").

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for service concession receivables.

15. Finance Lease Receivables

Future minimum finance lease receivables under finance leases together with the present value of the net minimum finance lease receivables are as follows:

	Group	
	2022 $'000	2021 $'000
Minimum finance lease receivables:		
Not later than one year	**13,254**	13,254
Later than one year but not later than five years	**26,104**	39,358
Total minimum lease receivables	**39,358**	52,612
Less: Future finance income	**(2,933)**	(4,841)
Present value of minimum lease receivables	**36,425**	47,771
Unguaranteed residual value	**26,262**	26,262
Net investment in finance lease	**62,687**	74,033
Less: Present value of finance lease receivables not later than one year	**(11,799)**	(11,346)
Non-current financial lease receivables	**50,888**	62,687

The present value of the finance lease receivables is analysed as follows:

	2022 $'000	2021 $'000
Not later than one year	**11,799**	11,346
Later than one year but not later than five years	**24,626**	36,425
Present value of minimum lease receivables	**36,425**	47,771

The finance lease receivables relate to the lease arrangement under a Water Purchase Agreement ("WPA") and lease agreement for a food waste digestor.

A subsidiary of the Group had signed a WPA with Singapore PUB to supply treated water to PUB from a seawater desalination plant which the subsidiary owns. On the date of acquisition of the subsidiary, the WPA had a remaining term of approximately 18 years ending on 15 December 2025. The desalination plant is located on a piece of leasehold land with lease period expiring in January 2034.

In 2020, another subsidiary of the Group had entered into a lease agreement for food waste digestor with lease period expiring 31 December 2026.

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate was 3.91% and 15.32% (2021: 3.91% and 15.32%) per annum for the WPA and lease agreement for food waste digestor respectively.

In accordance with SFRS(I) 16 Leases, the WPA and lease agreement for food waste digestor are lease arrangements and are classified as finance leases.

The desalination plant is pledged for certain borrowings (Note 22).

Finance lease receivable balances are secured over the equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee. However, in the event of default, the Group is entitled to sell the asset, and has rights to any proceeds from such a sale up to the total amount receivable from the lessee.

The loss allowance on finance lease receivables at the end of the reporting period is estimated at an amount equal to lifetime expected credit losses ("ECL"). None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collaterals held over these finance lease receivables, the Group considers that no finance lease receivables is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

16. Investment in Financial Assets

	Group	
	Current	Non-Current
	2022 $'000	
Investment in financial assets designated as at FVTPL		
- Unquoted investment in Aramco Gas Pipelines Company ("AGPC")	-	362,517
- Unquoted shares	-	43
Financial assets measured at amortised cost		
- Bonds issued by Korea government	24	63
Total investment in financial assets	24	362,623

On 23 February 2022, the Group completed the investment of US$250 million (S$336.6 million), alongside other investors, for an indirect minority and non-controlling stake into a special purpose vehicle, which has acquired a 49% stake in AGPC.

AGPC leased the rights to use of Aramco's gas pipeline network in Saudi Arabia for a 20-year period, and concurrently, granted back to Aramco the exclusive rights to use, transport through, operate and maintain the gas pipeline network during the 20-year period in exchange for a quarterly volume-based tariff which will be backed by minimum volume commitments.

Transaction cost of S$26.7 million was incurred in relation to the acquisition.

The valuation methodology for the investment in AGPC is disclosed in note 4(b)(vi).

17. Other Assets

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deposits	2,457	287	8	-
Prepayments	125,780	143,806	58	18
Contract costs	9,050	2,685	-	-
Others	3,388	2,748	-	-
	140,675	149,526	66	18
Less: Current portion	(35,685)	(31,871)	(66)	(18)
Non-current portion	104,990	117,655	-	-

Included in the prepayments balance is an amount of $114,877,000 (2021: $130,208,000) arising from the prepaid tolling fees in relation to the Capacity Tolling Arrangement ("CTA") with a related party. The prepaid tolling fee is amortised to profit or loss over the CTA period of 15 years.

Included in the contract costs balance are costs to obtain contracts related to one-off and upfront cash incentives paid to customers and piping cost incurred in order to entice customers to sign up contract with the Trust. These costs are the only cost that the Group would not have incurred if the contract had not been obtained. Whilst the Group incurs other costs that are necessary to facilitate a sale, those costs would have been incurred even if the customer decided not to execute the contract and therefore have not been capitalised.

These contract costs are amortised on a straight-line basis over the period of gas supply contract (in general, 2 to 15 years) as this reflects the period over which services is transferred to the customer. In 2022, there was no impairment loss in relation to the costs capitalised.

For the purpose of impairment assessment, other assets, excluding prepayment, are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL").

In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

18. Cash and Bank Deposits

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Cash and bank deposits	**535,729**	817,103	**184,950**	516,955
Less: Restricted cash	**(8,861)**	(7,352)		
Cash and cash equivalents in the consolidated statement of cash flows	**526,868**	809,751		

Included in the restricted cash is the amount of cash and bank deposits to be set aside to meet interest and principal repayments for loans extended to the subsidiaries and also for secured bank guarantees for the Group and Trust.

Short-term deposits are made for an average period of 2 months (2021: 2 months). The weighted average effective interest rate for the Group and Trust were 0.95% (2021: 0.13%) and 2.0% (2021: 0.16%) per annum respectively.

19. Trade and Other Receivables

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Trade receivables:				
- Third parties	**267,515**	198,661	**-**	-
- Related parties	**14,527**	13,605	**-**	-
Unbilled receivables	**21,502**	13,040	**-**	-
Less: Allowance for impairment (third parties)	**(3,369)**	(2,785)	**-**	-
Trade receivables - net	**300,175**	222,521	**-**	-
Other receivables	**8,731**	14,399	**2,762**	2,045
Interest receivable	**298**	80	**-**	55
Amounts due from related parties (non-trade)	**684**	125	**607**	60
Amounts due from joint venture (non-trade)	**6,503**	-	**-**	-
Amounts due from subsidiaries (non-trade)	**-**	-	**9,407**	7,162
	316,391	237,125	**12,776**	9,322

Trade receivables

Trade receivables are non-interest bearing and are generally receivable on 30 to 90 (2021: 30 to 90) days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

No interest is charged on the outstanding trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). For the purpose of impairment assessment, the trade receivables excluding City Energy Trust's ("CET"), Eco Management Korea ("EMK") and Ixom's receivables, are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition.

For the trade receivables of CET, EMK and Ixom, the ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

(i) For CET's receivables, the Group has recognised a loss allowance of 100% (2021: 100%) against all receivables which are credit impaired because historical experience has indicated that these receivables are generally not recoverable.

(ii) For Ixom's receivables, as at 31 December 2022, expected credit loss rates vary from 0.0% (2021: 0.0%) for receivables overdue from 0 day to 5.9% (2021: 4.9%) for receivables overdue over 90 days.

(iii) For EMK's receivables, as at 31 December 2022 expected credit loss rates vary from 0% for receivables overdue from 0 days to 97.7% for receivables overdue over 120 days.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Other receivables
Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, the Trustee-Manager has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Accordingly, the Trustee-Manager believes that there is no loss allowance required.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Amounts due from related parties and subsidiaries (non-trade)

These amounts are unsecured, interest-free, repayable on demand and expected to be settled in cash.

For purpose of impairment assessment, the amounts due from related parties and subsidiaries are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the amounts due from related parties and subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for this loan, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, the Trustee-Manager has taken into account the financial position of the related parties and subsidiaries, adjusted for factors that are specific to the related parties and subsidiaries and general economic conditions of the industry in which the related parties and subsidiaries operate, in estimating the probability of default of the amounts due from related parties and subsidiaries as well as the loss upon default. The Trustee-Manager determines the amounts due from related parties and subsidiaries are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance to SFRS(I) 9:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2021	2,101
Amounts written off as customers' accounts were 360 days past due as at 31 December 2021	(309)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	1,018
Currency translation differences	(25)
Balance as at 31 December 2021	**2,785**
Acquisition of subsidiaries	**1,242**
Disposal of a subsidiary	**(333)**
Amounts written off as customers' accounts were 360 days past due as at 31 December 2022	**(806)**
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	**583**
Currency translation differences	**(102)**
Balance as at 31 December 2022	**3,369**

During the year, the Group write off $583,000 (2021: nil) of trade and other receivables.

20. Derivative Financial Instruments

	Average contracted rate	Notional contract amount	Asset $'000	Liability $'000
Group				
2022				
Cash flow hedges:				
- Foreign currency forward	*****	**$183.4 million**	**5,541**	**3,885**
- Interest rate swaps	**1.29% - 2.70%**	**$635.4 million**	**79,051**	**-**
- Commodity Swap	**EUR 29/MWH – EUR 250/MWH**	**101,695 MWH**	**-**	**1,857**
Less: Current portion			**(5,641)**	**(3,885)**
Non-current portion			**78,951**	**1,857**
Fair value through profit or loss:				
- Commodity Swap	**USD84/mt**	**2,590 mt**	**-**	**22**
Less: Current portion			**-**	**(22)**
Non-current portion			**-**	**-**
2021				
Cash flow hedges:				
- Foreign currency forward	*	$229.2 million	3,983	2,342
- Interest rate swaps	0.54% - 2.70%	$1,426.6 million	22,462	9,785
Less: Current portion			(2,118)	(2,898)
Non-current portion			24,327	9,229
Fair value through profit or loss:				
- Commodity Swap	USD293/mt – USD378/mt	2,511 mt	344	-
Less: Current portion			(344)	-
Non-current portion			-	-

* Foreign currency forward contracts are denominated in NZD, JPY, USD, EUR and AUD (2021: JPY, USD, EUR and AUD). The notional contract amount represents total notional amounts translated to SGD.

	Average contracted rate	Notional contract amount	Asset $'000	Liability $'000
Trust				
2022				
Cash flow hedges:				
- Foreign currency forward	**A$0.98/S$1, US$0.74/S$1**	**$49.9 million**	**4,674**	**-**
- Interest rate swap	**1.52%**	**$50.0 million**	**1,954**	**-**
Less: Current portion			**(4,649)**	**-**
Non-current portion			**1,979**	**-**
2021				
Cash flow hedges:				
- Foreign currency forward	A$0.99/S$1	$90.0 million	1,865	787
- Interest rate swap	1.82%	$100.0 million	-	204
Less: Current portion			-	(991)
Non-current portion			1,865	-

Interest rate swaps

Interest rate swaps including the interest rate swap contract embedded in an operating agreement acquired through a business combination, were entered into to hedge floating interest payments on borrowings. The interest rate swaps entitle the Group and Trust to receive interest at floating rates on notional principal amounts and oblige the Group and Trust to pay interest at fixed rates on the same notional principal amounts. Fair value gains and losses on the effective hedge portion of the interest rate swaps are recognised in the hedging reserve and are transferred to profit or loss when the finance cost on the borrowings is recognised in profit or loss. The fair value gain or loss on the portion not designated for hedging is recognised in profit or loss. The period when the cash flows on cash flow hedges is expected to occur or affect profit or loss is Year 2022 to Year 2027. The Group and Trust have entered into interest rate swaps to manage the Group's exposure to cash flow interest rate risk on its borrowings.

Commodity swaps

Commodity swaps include (a) a fuel swap contract entered into by a subsidiary to hedge a fixed price contract offered to a customer and (b) financial power purchase agreements entered into by a subsidiary to hedge a fixed power price on the power output generation from its wind farms. Fair value gains and losses on the fuel hedge derivative liability and derivative asset are recognised in profit or loss. Fair value gains and losses on the effective hedge portion of the power price hedge is recognised in the hedging reserve and are transferred to profit or loss over the contract period.

Foreign currency forward

The Group entered into foreign currency forward contracts to hedge (a) certain highly probable forecasted foreign currency denominated purchases or sales, and (b) its exposure to foreign currency cashflow risk on its foreign currency service contracts. The Group performs a qualitative assessment of effectiveness and it is expected that the value of the foreign currency forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying foreign exchange rates. Fair value gains and losses on the effective hedge portion of the forward contract is recognised in the hedging reserve and are transferred to profit or loss over the contract period.

21. Inventories

	Group	
	2022 $'000	2021 $'000
Fuel	**19,981**	13,248
Spare parts and accessories	**40,004**	39,419
Pipes and fittings	**588**	131
Chemical finished goods	**198,063**	170,641
Chemical raw materials	**21,508**	16,228
	280,144	239,667

Inventories written-down recognised as an expense during the year amounted to $ Nil (2021: $1,247,000).

Inventories of $209,493,000 (2021: $175,964,000) are pledged for certain borrowings (Note 22).

22. Borrowings

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Current				
Bank loans	**800,844**	125,990	**579,549**	99,985
Non-current				
Bank loans	**1,657,371**	1,404,901	**49,890**	-
Medium term notes	**448,950**	199,508	**448,950**	199,508
	2,106,321	1,604,409	**498,840**	199,508
Total borrowings	**2,907,165**	1,730,399	**1,078,389**	299,493

The weighted average effective interest rates per annum at the end of the reporting period were as follows:

	Group		Trust	
	2022 %	2021 %	**2022 %**	2021 %
Borrowings	**3.67**	2.50	**3.63**	2.67

22. Borrowings (continued)

(a) As at 31 December 2020, a subsidiary's bank loan of carrying amount of $635,472,000 was included in the borrowings which was classified as current. Following the subsidiary being placed into voluntary administration on 12 November 2021, the subsidiary's bank loan of carrying amount of $635,042,000 was derecognised in 2021 (Note 44).

(b) In 2020, the Group successfully refinanced its term loan of a subsidiary, which was repayable in 30 June 2020, extending the maturity date till 30 June 2027. The term loan is secured by a first ranking charge over its receivable and related rights under the Capacity Tolling Agreement. The carrying amount of the loan at the end of the financial year is $698,506,000 (2021: $698,061,000). Repayment will commence in 2023 and will continue until 2027.

(c) In 2021, the Group successfully refinanced its bank term loan of a subsidiary, extending the maturity from February 2024 to February 2026. During the year, the Group obtained a new facility of $80,000,000 and drew down a term loan that is repayable in February 2026. The carrying amount of the bank loans as at the end of the financial year is $182,450,000 (2021: $177,534,000) and are unsecured.

(d) The bank loans of $15,733,000 (2021: $24,197,000) obtained by a subsidiary are secured by a first ranking charge over its assets and business undertakings. In addition, the loan is secured by a charge over the units in the subsidiary and a charge over the shares in the Trustee-Manager of the subsidiary. Repayments commenced in 2007 and will continue until 2024.

(e) During the year, The Trust obtained a new $100,000,000 term loan and revolving credit facility. The Trust drawn an unsecured term loan from the facility that is repayable in February 2025. The carrying amount of the bank loan as at the end of the financial year is $49,890,000.

(f) On 1 December 2021, the Trust issued notes (the "Series 003 Notes") with principal amount of $200,000,000 bearing interest at fixed rate of 3% per annum under the $2,000,000,000 Multicurrency Debt Issuance Programme. The Series 003 Notes matures on 1 December 2026 and is unsecured. The carrying amount of the outstanding notes as at the end of the financial year is $199,608,000 (2021: $199,508,000).

On 5 May 2022, the Trust issued notes (the "Series 004 Notes") with principal amount of $250,000,000 bearing interest at fixed rate of 4.11% per annum under the $2,000,000,000 Multicurrency Debt Issuance Programme. The Series 004 Notes matures on 5 May 2027 and is unsecured. The Trust has outstanding notes of $249,342,000 as at 31 December 2022.

(g) A subsidiary obtained an A$607,400,000 five-year senior, secured loan facility from a group of lenders in February 2019. In December 2021, the Group successfully increased the facility to A$732,400,000. The bank loan is secured by a charge over all the assets of all of the entities in the subsidiary group. The outstanding bank loan as at end of the financial year was $607,177,000 (2021: $531,114,000).

(h) During the year, The Trust obtained a $590,000,000 equity bridge loan facility to fund its new acquisitions. The Trust drew down on the facility with equity bridge loans that are repayable in 2023. The equity bridge loans are unsecured and the Trust has outstanding loans of $579,549,000 as at 31 December 2022.

(i) A newly acquired subsidiary obtained a KRW$390,000,000,000 five-year secured loan facility in October 2022. The bank loan is secured by a charge over the shares of all of the entities in the subsidiary group and its cash and bank accounts. The carrying amount of the bank loan is $324,910,000 as at 31 December 2022.

All borrowings impose certain covenants. These covenants include having to maintain sufficient funds to pay principal, interest and retention of additional amounts. Total assets of the Group with carrying amount of $2,519,000,000 (2021: $1,347,000,000) are pledged for certain borrowings.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

				Non-cash changes			
	1 January 2022 $ '000	Financing cash flows [1] $ '000	Acquisition of subsidiaries (Note 48) $ '000	Discontinued operation (Note 44) $ '000	Foreign exchange movement $ '000	Other changes [2] (Note 40) $ '000	31 December 2022 $ '000
Borrowings	**1,730,399**	**967,653**	**234,958**	**-**	**(30,860)**	**5,015**	**2,907,165**

			Non-cash changes			
	1 January 2021 $ '000	Financing cash flows [1] $ '000	Discontinued operation (Note 44) $ '000	Foreign exchange movement $ '000	Other changes [2] (Note 40) $ '000	31 December 2021 $ '000
Borrowings	2,161,023	190,682	(635,042)	10,504	3,232	1,730,399

(1) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
(2) Other changes include unamortised upfront fee.

23. Trade and Other Payables

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Trade payables:				
- Third parties	**190,728**	171,185	**-**	-
- Related parties	**4,709**	7,119	**-**	-
Other payables:				
- Third parties	**9,097**	7,362	**390**	297
- Trustee-Manager	**8,724**	2,691	**8,724**	2,691
- Related parties	**84,593**	77,492		-
Accruals	**86,760**	58,862	**12,683**	1,579
Interest payable	**5,563**	1,563	**4,277**	510
Advance payments received	**20,799**	22,792	**-**	-
Refundable customer deposits	**41,416**	38,013	**-**	-
	452,389	387,079	**26,074**	5,077

Trade and other payables are non-interest bearing and are normally settled on 30 to 60 (2021: 30 to 60) days' terms.

24. Provisions

	Group	
	2022 $'000	2021 $'000
Current		
Employee entitlements	**26,122**	23,815
Provision for reinstatement cost	**5,789**	7,978
Others	**2,744**	4,054
	34,655	35,847
Non-current		
Employee entitlements	**1,065**	1,571
Provision for decommissioning costs	**6,175**	4,513
Provision for reinstatement cost	**9,842**	10,318
	17,082	16,402
Total as at 31 December	**51,737**	52,249

Movements in the provisions are as follows:

	Employee entitlements $'000	**Decommissioning costs $'000**	**Reinstatement cost $'000**	**Others $'000**	**Total $'000**
Balance as at 1 January 2021	21,238	27,477	11,683	9,881	70,279
Acquisition of subsidiaries (Note 48)	1,467	-	709	-	2,176
Disposal of subsidiaries (Note 9)	-	(15,936)	-	(10,125)	(26,061)
Adjustment (Note 6)	-	(8,462)	-	-	(8,462)
Additions	20,513	192	6,336	4,305	31,346
Unwinding of discounts (Note 40)	-	646	294	-	940
Reduction arising from payment	(17,368)	-	(313)	(103)	(17,784)
Currency translation differences	(464)	596	(413)	96	(185)
Balance as at 31 December 2021	**25,386**	**4,513**	**18,296**	**4,054**	**52,249**
Acquisition of subsidiaries (Note 48)	**988**	**1,229**	**95**	**-**	**2,312**
Disposal of subsidiaries (Note 9)	**(27)**	**-**	**(159)**	**-**	**(186)**
Additions	**23,468**	**474**	**1**	**-**	**23,943**
Unwinding of discounts (Note 40)	**-**	**-**	**319**	**-**	**319**
Reduction arising from payment	**(21,228)**	**-**	**(1,968)**	**(1,133)**	**(24,329)**
Currency translation differences	**(1,400)**	**(41)**	**(953)**	**(177)**	**(2,571)**
Balance as at 31 December 2022	**27,187**	**6,175**	**15,631**	**2,744**	**51,737**

24. Provisions (continued)

Employee entitlements

The provision represents annual leave, other short-term employee benefits and long service leave entitlements accrued for employees.

Decommissioning costs

This relates to provision made by two subsidiaries in respect of costs to decommission, restore and rehabilitate (i) the interconnector sites, and (ii) the land where the combined cycle gas turbine generation facility operates, at the end of the operating life of the assets, based on the net present value of estimated future costs, expected to be required to settle the obligation.

Change in discount rate in provision for decommissioning costs
At the end of the reporting period, the Group conducted a review on the decommissioning costs and adjusted the discount rates used in determining the fair value of the provision to reflect the current best estimate.

Reinstatement cost

A provision for reinstatement cost is recognised in relation to properties held under lease. The Group recognises the provision for property leases which contain a specific clause to restore the property to a specific condition and the amount is based on the best estimate made by management.

25. Lease Liabilities

	Group	
	2022 $'000	2021 $'000
Maturity analysis:		
Year 1	**17,005**	15,414
Year 2	**9,589**	8,674
Year 3	**9,116**	8,670
Year 4	**8,523**	8,460
Year 5	**7,966**	8,455
Year 6 onwards	**64,717**	68,971
	116,916	118,644
Less: Unearned interest	**(35,798)**	(35,915)
	81,118	82,729
Analysed as:		
Current	**13,207**	12,535
Non-current	**67,911**	70,194

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance and treasury function.

The above represents leases for certain buildings, leasehold land, office premises and pipe rack of the Group. The weighted average incremental borrowing rate was 4.94% (2021: 3.48%) per annum.

The Group's lease does not contain variable lease payments and accordingly no expense relating to variable lease payments is included in the measurement of lease liabilities.

Certain leases of the Group contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. These extension options are exercisable by the Group and not by the lessor.

26. Notes Payable to Non-Controlling Interests

This relates to notes denominated in Singapore Dollars issued by subsidiaries to their non-controlling interests.

1. The notes of $15,000,000 mature in Year 2025 and bear interest payable quarterly in arrears at a fixed rate of 6.5% per annum with a one-time option for the subsidiary, on any interest payment date, to switch to a floating rate per annum equal to three-months Singapore Dollar Swap Offer Rate plus 2.5% per annum. Pursuant to the acquisition of remaining 30% equity interest in SingSpring Trust ("SST") on 30 June 2022, notes payable to non-controlling interests was derecognised.

2. The notes of $245,000,000 mature in Year 2040, with a fixed rate of 17.5% per annum, payable quarterly.

The notes are direct, unsecured, subordinated obligations of the subsidiaries and can be redeemed at par by the subsidiaries prior to their maturity date.

The Trustee-Manager estimates that the carrying value of the notes payable to non-controlling interests approximate their fair value as these notes may be redeemed prior to its maturity date on any interest payment date.

27. Other Payables (Non-Current)

	Group	
	2022 **$'000**	2021 $'000
Advance payments received	**88,754**	100,805
Other payables	**96,616**	87,968
	185,370	188,773

Advance payments received
This relates to amounts that have been received but services have not yet been rendered.

Other payables
Other payables are non-interest bearing, unsecured and are to be settled in cash.

28. Defined Benefit Obligation

The Group participates in defined benefit post-employment plans that provide benefits to qualifying employees of its subsidiaries upon retirement in Australia, New Zealand and South Korea. Plan funding is carried out in accordance with the requirements of trust deeds and the advice of actuaries.

The plan in Australia, New Zealand and South Korea typically exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	Strong investment returns tending to improve the balance sheet position, whilst poor or negative investment return tending to weaken the position.
Interest risk	The defined benefit obligation calculated uses a discount rate based on bond yields. If bond yields fall, the defined benefit obligation will tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	Higher than expected increases in salary will increase the defined benefit obligation.

The information within these financial statements has been prepared by the local plan's external actuaries. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuations were as follows. The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Assumptions on Defined Benefit Obligation				
	Assumptions used			**Change of assumptions**	**Impact $'000**
	Australia	New Zealand	South Korea		
Discount rate	5.55%	4.02%	6.00%	+1.00%	(10,036)
				-1.00%	11,766
Expected rate of salary	3.00%	2.50%	2.00%	+1.00%	5,438
				-1.00%	(4,797)
Mortality	Aust Life Table	NZ Life Table	N.A.*	+1 year older	746
	15-17-3 yrs	17/19 – 1 yr		-1 year younger	(646)

* Not applicable

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised on the statement of financial position.

28. Defined Benefit Obligation (continued)

The amounts recognised in the statement of financial position in respect of the Group's defined benefit retirement benefit plans are determined as follows:

	Group	
	2022 $'000	2021 $'000
Present value of the funded defined benefit obligation	(64,027)	(85,319)
Present value of the unfunded defined benefit obligation	(162)	(653)
Present value of the defined benefit obligation	(64,189)	(85,972)
Fair value of defined benefit plan assets	59,026	63,599
Deficit	(5,163)	(22,373)
Net liability recognised in the statement of financial position	(5,163)	(22,373)

The amounts recognised in the profit or loss in respect of these defined benefit plans are as follows:

	Group	
	2022 $'000	2021 $'000
Service cost		
Current service cost	1,084	1,310
Net interest expense	535	609
Total included in staff costs	1,619	1,919

The charge for the year is included in the staff costs in profit or loss.

Amounts included in other comprehensive income are as follows:

	Group	
	2022 $'000	2021 $'000
Actuarial (losses)/gains on defined benefit obligations:		
Due to changes in demographic assumptions	(2,603)	(2,408)
Due to changes in financial assumptions	22,058	3,786
Due to experience adjustments	2,048	(5,610)
Total	21,503	(4,232)
Return on plan assets greater than discount rate	(3,848)	7,705
Re-measurement effects recognised in Other Comprehensive Income	17,655	3,473
Income tax related to gains/(losses) recognised in Other Comprehensive Income	(5,193)	(983)

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	2022 $'000	2021 $'000
Balance at the beginning of the year	85,972	82,807
Acquisition of subsidiaries (Note 48)	4,830	-
Current service cost	1,084	1,310
Interest cost	2,219	1,980
Contribution by plan participant	234	290
Actuarial (gain)/losses	(21,753)	4,232
Benefits paid	(4,400)	(3,419)
Administration expenses paid (including premiums)	(104)	(86)
Currency translation differences	(3,893)	(1,142)
Balance at the end of the year	64,189	85,972

Changes in the fair value of plan assets are as follows:

	Group	
	2022 $'000	2021 $'000
Balance at the beginning of the year	63,599	56,683
Acquisition of subsidiaries (Note 48)	2,190	-
Interest income on plan assets	1,704	1,372
Return of plan assets (lesser)/greater than discount rate	(3,829)	7,705
Contribution by employer	2,964	2,083
Contribution by plan participants	274	290
Benefits paid	(4,185)	(3,419)
Administration expenses paid	(104)	(86)
Currency translation differences	(3,587)	(1,029)
Balance at the end of the year	59,026	63,599

The fair value of the plan assets at the end of the financial year is analysed as follows:

	Group	
	2022 $'000	2021 $'000
Quoted in active markets:		
Equities	25,783	31,418
Debt securities	14,572	13,928
Property	-	1,145
Other quoted securities	3,923	4,960
Other:		
Cash and cash equivalents	8,022	5,152
Unquoted in active markets:		
Property	6,726	6,996
	59,026	63,599

The fair values of the above equity and debt securities are determined based on quoted market prices in active markets whereas the fair values of property and other unquoted securities are not based on quoted market prices in active markets.

The fair value of plan assets does not include any amounts relating to the Group's own financial instruments, property occupied by, or other assets used by, the Group.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Group's subsidiaries fund the cost of the entitlements expected to be earned on a yearly basis. The funding requirements are based on the local actuarial measurement framework. In this framework the discount rate is set on a risk-free rate. Furthermore, premiums are determined on a current salary base. Additional liabilities stemming from past service due to salary increases (back-service liabilities) are paid immediately to the fund. Apart from paying the costs of the entitlements, the Group's subsidiaries are not liable to pay additional contributions in case the fund does not hold sufficient assets. In that case, the fund would take other measures to restore its solvency, such as a reduction of the entitlements of the plan members.

During the year, the Group made employer contributions of $2.9 million (2021: $2.1 million) to the defined benefit plans. The Group's external actuaries have forecast total employer contributions of $2.8 million (2021: $1.9 million) and benefit payments of $7.0 million (2021: $7.1 million) for the defined benefit plans for the forthcoming financial year.

Australia
The Ixom Defined Benefit Sub-Fund is a Sub-Fund of the Flexible Benefits Super Fund and provides defined benefits to a number of members, where the benefits are defined by final average salary and period of membership. The Fund is a final average salary defined benefit fund, with accumulation underpin guarantees for pre-1992 joiners. Benefits can be taken as a lump sum or lifetime pension (or a combination). The Sub-Fund is currently closed to new members and has a total of 26 active Defined Benefit members and 22 lifetime pensioners at year end.

New Zealand
Under a special purpose deed made between Ixom Operations Pty Ltd and Orica New Zealand Limited, separate notional assets are maintained within the Orica New Zealand Plan for members of the Plan who were employed by Ixom when Orica disposed of it, as at 27 February 2015. The objective is for the notional assets to broadly match the value of the accrued liabilities using the funding assumptions. The Sub-Fund is currently closed to new members and has a total of 14 active Defined Benefit members and nil lifetime pensioners at year end.

28. Defined Benefit Obligation (continued)

South Korea

The EMK group operates a defined benefit plan for all employees of its subsidiaries in South Korea. Employees are eligible for the benefits when they leave the company or reach the retirement age of 60 years old. Under the defined benefit plan, employees are entitled to retirement pension benefits that vary according to the individuals' age, length of service period and salary levels and are paid via a lump-sum payment upon retirement. The benefits being paid are computed by multiplying the average monthly wage (over the final 3 months) before retirement by the years of service.

29. Deferred Tax Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred taxes relate to the same fiscal authority.

	Group	
	2022 $'000	2021 $'000
Movement in deferred tax account is as follows:		
Beginning of the year	**1,274**	11,172
Acquisition of subsidiaries (Note 48)	**96,200**	(703)
Disposal of subsidiaries (Note 9)	**243**	-
(Credited)/Charged to:		
- Profit or loss (Note 43)	**(11,511)**	(16,686)
- Equity (Note 43)	**13,732**	6,137
Currency translation differences	**(1,816)**	1,354
End of the year	**98,122**	1,274

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows:

Deferred tax liabilities

	Accelerated tax depreciation $'000	Fair value of intangible assets $'000	Others $'000	Total $'000
At 1 January 2021	29,581	34,478	9,161	73,220
Currency translation differences	803	225	213	1,241
Discontinued operation (Note 44)	(29,638)	(8,312)	(1,575)	(39,525)
Charged/(Credited) to:				
- Profit or loss	338	(10,018)	(2,262)	(11,942)
- Equity	-	-	988	988
At 31 December 2021	**1,084**	**16,373**	**6,525**	**23,982**
Currency translation differences	**(143)**	**(1,992)**	**(2,082)**	**(4,217)**
Acquisition of subsidiaries (Note 48)	**(580)**	**83,603**	**14,138**	**97,161**
Charged/(Credited) to:				
- Profit or loss	**14,884**	**1,527**	**(13,674)**	**2,737**
- Equity	**-**	**-**	**5,350**	**5,350**
At 31 December 2022	**15,245**	**99,511**	**10,257**	**125,013**

Deferred tax assets

	Allowance against assets $'000	Derivative financial instruments $'000	Recognised unutilised tax losses $'000	Others $'000	Total $'000
At 1 January 2021	(17,927)	(2,094)	(45,515)	3,488	(62,048)
Currency translation differences	(366)	-	(232)	711	113
Acquisition of subsidiaries (Note 48)	-	-	-	(703)	(703)
Discontinued operation (Note 44)	-	-	30,508	9,017	39,525
(Credited)/Charged to:					
- Profit or loss	(2,596)	-	(1,445)	(703)	(4,744)
- Equity	-	5,149	-	-	5,149
At 31 December 2021	**(20,889)**	**3,055**	**(16,684)**	**11,810**	**(22,708)**
Currency translation differences	**2,224**	**-**	**1,258**	**(1,081)**	**2,401**
Acquisition of subsidiaries (Note 48)	**-**	**-**	**-**	**(961)**	**(961)**
Disposal of subsidiaries (Note 9)	**-**	**-**	**-**	**243**	**243**
(Credited)/Charged to:					
- Profit or loss	**(12,538)**	**-**	**(2,211)**	**501**	**(14,248)**
- Equity	**-**	**8,382**	**-**	**-**	**8,382**
At 31 December 2022	**(31,203)**	**11,437**	**(17,637)**	**10,512**	**(26,891)**

Net deferred tax liabilities

31 December 2021	1,274
31 December 2022	**98,122**

Unrecognised tax losses

Subject to the agreement by the tax authorities, as at the reporting date, the Group has unused tax losses of $160,538,000 (2021: $98,141,000) available for offset against future profits. A deferred tax has been recognised in respect of $103,747,000 (2021: $98,141,000) of such losses. No deferred tax asset has been recognised in respect of the remaining $56,791,000 due to uncertainty of its recoverability. Included in unrecognised tax losses are loss of $56,791,000 (2021:Nil) that have expiry from 2024 to 2037. Other losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

Tax consequences of proposed distributions

There are no income tax consequences attached to the distributions to the unitholders declared by the Trust after the financial year end but not recognised as a liability in the financial statements for both 2022 and 2021 (Note 35).

30. Units in Issue

	Group and Trust			
	2022 Units	2021 Units	**2022 $'000**	2021 $'000
Beginning of year	**4,991,263,352**	4,990,437,786	**2,629,211**	2,628,761
Units issued to the Trustee-Manager[1]	**526,430**	825,566	**291**	450
End of year	**4,991,789,782**	4,991,263,352	**2,629,502**	2,629,211

1 These units were issued to the Trustee-Manager as part of the payment for management and performance fees.

a) Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

(i) Receive income and other distributions attributable to the units held;

(ii) Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and

(iii) Receive audited accounts and the annual reports of the Trust.

30. Units in Issue (continued)

b) The restrictions of a Unitholder include the following:

(i) A Unitholder has no right to request the Trustee-Manager to transfer to him any asset of the Trust; and

(ii) A Unitholder cannot give any directions to the Trustee-Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with applicable laws and regulations; or
- the exercise of any discretion expressly conferred to the Trustee-Manager by the Trust Deed.

c) A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee-Manager or any creditor of the Trustee-Manager in the event the liabilities of the Trust exceeded its assets.

31. Hedging Reserve

Hedging reserve records the portion of the fair value changes on derivatives that are designated as hedging instruments in cash flow hedges that are determined to be effective.

	Group		Trust	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Beginning of the year	**3,837**	(269,748)	**875**	(9,471)
Fair value gain:				
Fair value gain	**77,246**	99,374	**5,754**	10,346
Tax on fair value gain	**(9,645)**	(4,587)	**-**	-
	67,601	94,787	**5,754**	10,346
Transfer to profit or loss:				
Finance cost (Note 40)	**(7,132)**	25,752	**-**	-
Tax on transfers	**1,241**	(527)	**-**	-
Hedge ineffectiveness	**-**	164,188	**-**	-
	(5,891)	189,413	**-**	-
Non-controlling interests, net of tax	**(15,535)**	(10,615)	**-**	-
End of the year	**50,012**	3,837	**6,629**	875

32. Capital Reserve

On 30 June 2022, the Trust acquired the remaining 30% stake in SingSpring Trust ("SST") for a consideration of $12 million from Hyflux Ltd. Subsequent to the acquisition of the equity interest in SST, the Group recorded a capital reserve of $7.5 million (Note 9).

In prior years, the Group's subsidiary, City Energy Trust, disposed 49% of its equity interest in City-OG Gas Energy Services Pte. Ltd. ("City-OG Gas") to Osaka Gas Co., Ltd ("Osaka Gas") for a consideration of $39.2 million. The Group retained control in the remaining 51% equity interest in City-OG Gas. With the disposal of the equity interest in City-OG Gas, the Group recorded a capital reserve of $38.7 million.

33. Share Based Payment Reserve

The Group has the following share option schemes for some of its employees based in Australia:

Restricted equity plan

Under the restricted equity plan ("REP"), Ixom Group, at its discretion, offers share options in Ix Infrastructure Pty Ltd ("Ix Infra") to certain key management personnel and eligible employees of the Ixom Group. The share options vest on a change in ownership or control of Ix Infra, or sale of substantially all of the Ixom Group's assets, and providing the participant remaining in the Ixom Group's employ at vesting. The fair value of share options granted is estimated at the date of grant using a binomial pricing model, taking into account the terms and conditions on which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

Long-term incentive plan
Under the long-term incentive plan ("LTI"), Ixom Group may offer share options in Ix Infra to key management personnel and eligible employees of the Ixom Group. The exercise price of the share options is equal to or greater than the fair market value of the underlying shares on the date of grant. The share options vest if and when the fair market value of an ordinary share (market condition), at the end of a performance period, exceeds $1.42 and the participant remains employed on such date. The share options granted may also vest on a change in ownership or control of the Company, or sale of substantially all of the Ixom Group's assets, prior to 30 September 2023.

The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted. The model simulates the share price taking into account historical and expected dividends, and estimated share price volatility of the Ixom Group, so as to predict the share performance.

The share options may be exercised after vesting until expiry, providing it is after the first anniversary of the date of grant of the option. The contractual term of each option granted is five years. There are no cash settlement alternatives, and Ixom Group does not have a past practice of cash settlement for these share options. The Ixom Group accounts for the LTI as an equity-settled plan.

There has been no alteration to the terms and conditions of the above share-based payment arrangements since grant date.

The REP and LTI are administered by the board of IX Infrastructure Pty Ltd ("Ix Infra") whose directors are:

Chiang Chang Jopy
Marc Liu
Kevin Neo
Nokan Konan

Fair value of share options grants during the year

	2022		2021	
	REP	**LTI**	**REP**	**LTI**
Inputs into the model				
Weighted average fair values at the measurement date	**A$0.016**	**A$0.002**	A$0.06	A$0.02
Exercise price	**A$1.67**	**A$2.75**	A$0.96	A$1.05
Expected volatility (%)	**30.0%**	**30.0%**	30.0%	30.0%
Expected life of options	**2.5 years**	**3.6 years**	2.9 years	5 years
Expected dividend yield (%)	**Nil**	**9.30%**	Nil	9.4%
Risk-free interest rate (%)	**1.56%**	**1.55%**	0.25%	0.51%

Movements in share option grants during the year:

	REP		LTI	
	No. of options	**Weighted average exercise price**	**No. of options**	**Weighted average exercise price**
Balance at 1 January 2021	44,077,900	A$0.91	33,976,900	A$1.01
Granted during the year	2,863,500	A$0.96	8,707,300	A$1.05
Forfeited during the year	(18,660,700)	A$0.91	(14,461,400)	A$1.01
Balance at 31 December 2021 and 1 January 2022	**28,280,700**	**A$0.92**	**28,222,800**	**A$1.02**
Granted during the year	**7,592,450**	**A$1.67**	**8,456,700**	**A$2.75**
Balance at 31 December 2022	**35,873,150**	**A$1.07**	**36,679,500**	**A$1.42**
Exercisable at 31 December 2022	**-**	**-**	**-**	**-**
Exercisable at 31 December 2021	-	-	-	-

The options were granted on 18 March 2022, 14 February 2022 and 30 September 2021 and 19 August 2020.

The options outstanding at the end of the financial year have a weighted average remaining contractual life of 5.76 years.

Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market condition attached to the option), and behavioural considerations.

As at 31 December 2022, there are 10 (2021: 10) senior management of Ixom who received 5% or more of the total numbers of shares options under the REP and LTI. Out of the total outstanding share options of 72.6 million (2021: 56.5 million) as at 31 December 2022, the total number of shares options under the REP and LTI received by these senior management are 63.8 million (2021: 52.3 million). No directors or employees of the Trustee-Manager, KIT and its subsidiaries (excluding Ixom), received options under the REP and LTI.

34. Perpetual Securities

On 12 June 2019, the Trust issued subordinated perpetual securities (the "Series 001 Tranche 001 Securities") with principal amount of $200,000,000 bearing distributions at a rate of 4.75% per annum under the $1,000,000,000 Multicurrency Debt Issuance Programme, which was subsequently upsized to $2,000,000,000 on 4 May 2021 ("Programme").

On 25 June 2019, the Trust issued subordinated perpetual securities (the "Series 001 Tranche 002 Securities") with principal amount of $100,000,000 bearing distributions at a rate of 4.75% per annum (to be consolidated and forming a single series with the existing $200,000,000 subordinated perpetual securities issued on 12 June 2019, under the Programme).

A total of $298,190,000, net of issuance costs of $1,810,000, was recognised in equity in relation to the two tranches of the Series 001 Securities. The rate of 4.75% per annum is subject to reset every ten years and a one-time step-up from and including the first reset date, being 12 June 2029.

On 9 June 2021, the Trust issued subordinated perpetual securities (the "Series 002 Securities") with principal amount of $300,000,000 bearing distributions at a rate of 4.30% per annum under the Programme. A total of $297,843,000, net of issuance costs of $2,157,000, was recognised in equity. The rate of 4.30% per annum is subject to reset every ten years and a one-time step-up from and including the first reset date, being 9 June 2031.

The perpetual securities do not have a maturity date and bear distributions which are payable semi-annually. Subject to the terms and conditions of the perpetual securities, the Trust may, at its full discretion, elect to defer making distributions, which is cumulative, on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. In the event of deferral or non-payment of distributions, and until the deferred distributions is paid, the Trust shall not declare or pay any distributions to its Unitholders or make other payment on instrument or security issued which rank lower in priority in payment than the perpetual securities. Accordingly, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

These perpetual securities were issued for the Trust's general corporate purposes as well as investing activities.

Details of the distributions to the perpetual securities holders are as follows:

	2022 $'000	2021 $'000
Profit for the year attributable to the perpetual securities holders	**27,150**	21,531
Distributions paid during the year	**(27,150)**	(20,718)
Amount unpaid as at 31 December	**-**	813

35. Distributions Paid to the Unitholders of the Trust

Tax exempt distributions paid during the financial year are as follows:

	Group and Trust	
	2022 $'000	2021 $'000
For the period from 1 July 2020 to 31 December 2020		
- 1.86 cents per unit	**-**	92,822
For the period from 1 January 2021 to 30 June 2021		
- 1.86 cents per unit	**-**	92,838
For the period from 1 July 2021 to 31 December 2021		
- 1.92 cents per unit	**95,832**	-
For the period from 1 January 2022 to 30 June 2022		
- 1.91 cents per unit	**95,343**	-
	191,175	185,660
The following distributions have been declared after the financial year end but not recognised as a liability		
Distribution of 1.92 cents per unit for the period from 1 July 2021 to 31 December 2021	**-**	95,832
Distribution of 1.91 cents per unit for the period from 1 July 2022 to 31 December 2022	**95,343**	-

36. Revenue

	Group			
	Distribution & Storage $'000	Environmental Services $'000	Energy Transition $'000	Total $'000
2022				
Segment Revenue and timing of revenue recognition				
Continuing operation:				
At a point in time:				
Sale of goods	**1,265,394**	**-**	**377,752**	**1,643,146**
Distribution income	**-**	**-**	**26,543**	**26,543**
Over time:				
Service income	**30,222**	**31,263**	**118,099**	**179,584**
Finance income from service concession arrangements	**-**	**8,244**	**-**	**8,244**
Finance lease income	**-**	**1,853**	**-**	**1,853**
Operation and maintenance income	**38,017**	**82,655**	**25,904**	**146,576**
	1,333,633	**124,015**	**548,298**	**2,005,946**
2021				
Segment Revenue and timing of revenue recognition				
Continuing operation:				
At a point in time:				
Sale of goods	1,304,855	-	-	1,304,855
Over time:				
Service income	23,195	10,095	106,952	140,242
Finance income from service concession arrangements	-	9,645	-	9,645
Finance lease income	-	1,545	-	1,545
Operation and maintenance income	22,765	70,647	25,320	118,732
	1,350,815	91,932	132,272	1,575,019
Discontinued operation:				
Over time:				
Service income	57,408	-	-	57,408
	1,408,223	91,932	132,272	1,632,427

There are no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

37. Other Income

	Group	
	2022 $'000	2021 $'000
Continuing operation:		
Interest income	**5,630**	1,054
Other miscellaneous income	**1,942**	5,145
	7,572	6,199
Discontinued operation:		
Interest income	**-**	19
Other miscellaneous income	**-**	30,589
	7,572	36,807

38. Other Gains/(Losses) – Net

	Group	
	2022 $'000	2021 $'000
Continuing operation:		
Fair value gain on derivative financial instruments	52	284
Fair value gain on financial assets at FVTPL	20,823	-
Exchange differences	988	(1,840)
Gain/(loss) on disposal of subsidiaries	459	(107)
Impairment loss on Ixom's assets	-	(14,142)
Provision due to loss of long-term customer of Ixom	-	(7,508)
Others	(3,562)	5,510
	18,760	(17,803)
Discontinued operation:		
Fair value loss on derivative financial instruments	-	(170,175)
Exchange differences	-	56
Others	-	(635)
	18,760	(188,557)

39. Staff Costs

	Group	
	2022 $'000	2021 $'000
Continuing operation:		
Salaries and wages	159,752	144,669
Employer's contribution to defined contribution plans, including Central Provident Fund	8,428	7,476
Defined benefit plans (Note 28)	1,619	1,919
Other short-term benefits	12,019	11,097
	181,818	165,161
Discontinued operation:		
Salaries and wages	-	3,469
Employer's contribution to defined contribution plans, including Central Provident Fund	-	312
Other short-term benefits	-	364
	181,818	169,306

Salaries and wages is net of approximately $ Nil (2021: $696,000) received in relation to the Jobs Support Scheme, announced as part of the Singapore Government's Budget Statement for Financial Year 2022 to address the impact of the COVID-19 pandemic.

40. Finance Costs

	Group 2022 $'000	Group 2021 $'000
Continuing operation:		
Interest expense:		
- Bank borrowings	64,904	28,922
- Notes payable to non-controlling interests	42,875	43,850
Unwinding of discounts:		
- Provision for decommissioning costs and reinstatement cost (Note 24)	319	294
Cash flow hedges, transfer from hedging reserve (Note 31)	(7,132)	6,959
Debt amortisation (Note 22)	5,015	3,232
Others	5,712	6,064
	111,693	89,321
Discontinued operation:		
Interest expense:		
- Bank borrowings	-	16,289
Unwinding of discounts:		
- Provision for decommissioning costs and reinstatement cost (Note 24)	-	646
- Interest-free customer deposits	-	20,849
Cash flow hedges, transfer from hedging reserve (Note 31)	-	18,793
Others	-	7,102
	111,693	153,000

41. Trustee-Manager's Fees

	Group 2022 $'000	Group 2021 $'000
Base fee	9,550	2,284
Performance fee	4,819	9,469
Acquisition fee	27,088	329
	41,457	12,082

Before 1 July 2022, the Trustee-Manager's fees ("previous fee" structure) comprise:

1) A Base fee of $2.0 million per annum subject to increase each year by such percentage increase (if any) in the average of the monthly Singapore CPI for the 12 calendar months immediately preceding the beginning of each financial year over the average of the monthly Singapore CPI for 2010.

2) Performance fee is charged at 4.5% per annum on all the cash inflows received by the Trust from subsidiaries, associates, sub-trusts and its investments (including but not limited to dividends, distributions, interest earned, revenues earned, principal repayment of debt securities and all other receipts).

3) In addition to the Base Fee and the Performance Fee, the Trustee-Manager (in its personal capacity) is also entitled to receive an Acquisition Fee in respect of any investment acquired by the Trust or special purpose vehicles holding or constituted to hold the Trust's investment and a Divestment Fee in respect of any investment sold or divested by the Trust or its special purpose vehicles. The Acquisition Fee and Divestment Fee are charged at 1% (or 0.5% for an acquisition from its sponsor group) on the enterprise value of the investment acquired and 0.5% for investment divested respectively.

41. Trustee-Manager's Fees (continued)

Effective from 1 July 2022 onwards, the Trustee-Manager's fees ("new fee" structure) comprise:

1) A Base fee at a rate equal to 10% per annum of KIT Group's distributable income, before accounting for the base fee and performance fee for the relevant period.

2) Performance fee is charged at a rate equal to 25% per annum of the increase (if any) in Distribution Per Unit ("DPU") as declared by the Trustee-Manager in respect of a financial year as compared with the DPU in respect of the preceding financial year, multiplied by the weighted average number of units in issue for such financial year.

3) In addition to the Base Fee and the Performance Fee, the Trustee-Manager (in its personal capacity) is also entitled to receive an Acquisition Fee in respect of any investment acquired by the Trust or special purpose vehicles holding or constituted to hold the Trust's investment and a Divestment Fee in respect of any investment sold or divested by the Trust or its special purpose vehicles. The Acquisition Fee and Divestment Fee are charged at 1% (or 0.5% for an acquisition from its sponsor group) on the enterprise value of the investment acquired and 0.5% for investment divested respectively.

The new fee structure is progressively implemented during 2022 as follows:

1) The Base Fee from 1 July 2022 to 30 September 2022 comprises of 67% of the previous fee structure and 33% of the new fee structure. The Base Fee from 1 October 2022 to 31 December 2022 is comprises of 33% of the previous fee structure and 67% of the new fee structure .

2) The Performance Fee from 1 January 2022 to 30 June 2022 is based on the previous fee structure. The total Performance Fee for the year is calculated based on the new fee structure less the Performance Fee charged for the period from 1 January 2022 to 30 June 2022.

During the year, pursuant to the Group's acquisitions of 50% interest in joint ventures (Note 10), acquisition fees of $7,351,000 (2021: $3,060,000) were incurred and capitalised on the investment in joint venture. Total Trustee-Manager fees paid (capitalised or recorded in the profit or loss) in 2022 and 2021 is $48.8 million and $15.1 million respectively.

42. Profit/(Loss) Before Tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2022 $'000	2021 $'000
Continued operation:		
Auditors' remuneration of the Group and its subsidiaries:		
- auditors of the Group	**1,294**	1,016
- other auditors	**111**	218
Non-audit fees to:		
- auditors of the Group	**886**	647
Cost of inventories recognised as an expense	**813,889**	590,968
Short-term leases and leases of low value assets	**9,166**	4,924
Impairment loss on financial assets (Note 19)	**1,166**	1,018
Impairment loss on Ixom's assets	**-**	(14,142)
Provision due to loss of long-term customer of Ixom	**-**	(7,508)
Legal and other related professional fee	**13,956**	6,320
Discontinued operation:		
Auditors' remuneration of the Group and its subsidiaries:		
- auditors of the Group	**-**	105
Legal and other related professional fee	**-**	2,605

Please refer to pages 179 and 180 of the Corporate Governance section in the Group's Annual Report for a breakdown of the nature of 2022 non-audit fees paid or payable to the auditors of the Group and the appropriate safeguards established to address any potential independence threats arising from the provision of non-audit services to the Group.

43. Income Tax Expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

	Group	
	2022 $'000	2021 $'000
Consolidated profit or loss:		
Current tax	**37,824**	32,639
Deferred tax (Note 29)	**(11,511)**	(16,686)
Income tax expense recognised in profit or loss	**26,313**	15,953
Consolidated statement of other comprehensive income:		
Deferred tax expense related to other comprehensive income:		
- Fair value loss and reclassification adjustments on cash flow hedges (Note 29)	**13,372**	6,137

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group	
	2022 $'000	2021 $'000
Profit/(Loss) before tax:		
- Continuing operation	**23,484**	39,757
- Discontinued operation	**-**	(161,857)
	23,484	(122,100)
Tax calculated at a tax rate of 17%	**3,992**	(20,757)
Effects of:		
- Different tax rates in other countries	**4,836**	6,069
- Expenses not deductible for tax purposes	**24,703**	29,432
- Income not subject to tax	**(8,224)**	(674)
- Deferred tax assets not recognised	**2,115**	418
- (Reversal)/Recognition of future deductible amounts allowable under overseas tax regime	**(452)**	111
- Adjustment recognised in the current year in relation to the deferred tax for prior year	**(739)**	-
- Adjustment recognised in the current year in relation to the current tax for prior year	**(169)**	1,273
- Others	**251**	81
	26,313	15,953

44. Discontinued Operation

On 12 November 2021, certain companies in the Basslink group ("Basslink") have been placed into voluntary administration, with the directors of the respective Basslink companies appointing Ernst & Young as voluntary administrators. The Basslink companies are incorporated in Australia and Cayman, where their principal business is the operation of a subsea electricity interconnector. Basslink owns, amongst other things, the Basslink Interconnector, being the interconnection between the present Tasmanian and Victorian electricity grids via a high voltage direct current submarine cable across Bass Strait.

Pursuant to the appointment of the voluntary administrators, the Group has lost control over Basslink which is considered a significant component under the Distribution and Storage segment, hence, it will be classified as a discontinued operation in accordance with SFRS(I) 5 Non-current Assets held for Sale and Discontinued Operations.

On 20 October 2022, APA Group completed the acquisition Basslink Pty Ltd and Basslink Telecoms Pty Ltd.

44. Discontinued Operation (continued)

The results of the discontinued operation, which have been included in the loss for the year ended 31 December 2021, were as follows:

	2021 $'000
Revenue	57,408
Other income	30,608
Other losses	(170,754)
Fuel and electricity costs	(296)
Depreciation and amortisation	(15,627)
Staff costs	(4,145)
Operation and maintenance costs	(4,290)
Finance costs	(63,679)
Other operating expenses	(32,421)
Loss before tax	(203,196)
Gain on derecognition of discontinued operation	41,339
Income tax expense	-
Loss for the year from discontinued operation	(161,857)

In 2021, Basslink Group contributed $49.2 million to the Group's net operating cash flows, paid $3.7 million in respect of investing activities and paid $39.1 million in respect of financing activities.

The book value of the net liabilities of Basslink derecognised were as follows:

	2021 $'000
Property, plant and equipment and right-of-use assets	(725,991)
Identifiable intangible assets	(83,661)
Financial assets	(67,788)
Other assets	(1,292)
Borrowings	635,042
Other financial liabilities	164,810
Derivative financial instruments	103,203
Lease liabilities	349
Provisions	26,061
Net liabilities derecognised	**50,733**
Foreign currency translation reserves realised	(9,394)
Gain on derecognition of discontinued operation	41,339

45. Earnings/(Loss) Per Unit

The calculation of basic and diluted earnings/(loss) per unit is based on the weighted average number of units outstanding during the financial year and profit/(loss) attributable to the unitholders of the Trust.

Diluted earnings per unit is the same as the basic earnings/(loss) per unit as there are no dilutive instruments in issue during the financial year.

	Group	
	2022	2021
From continuing and discontinued operation		
Profit/(loss) for the financial year attributable to unitholders of the Trust ($'000)	**868**	(128,806)
Weighted average number of units during the financial year	**4,991,633,197**	4,991,067,696
Basic and diluted earnings/(loss) per unit (cents)	**0.02**	(2.58)
From continuing operation		
Profit for the financial year attributable to unitholders of the Trust ($'000)	**868**	33,051
Weighted average number of units during the financial year	**4,991,633,197**	4,991,067,696
Basic and diluted earnings per unit (cents)	**0.02**	0.66

From discontinued operation

In 2021, basic and diluted loss per share for the discontinued operation is 3.24 cents per share, based on the loss for the year from the discontinued operation of $161.9 million and the denominators detailed above for both basic and diluted loss per share.

46. Operating Lease Arrangements and Capital Commitments

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2022 $'000	2021 $'000
Property, plant and equipment	**11,149**	15,353

47. Segment Information

In prior years, the Trustee Manager reports it segmental results under Distribution and Network, Waste and Water, Energy and Corporate.

Commencing 2022, the Trustee-Manager monitors the results of the Trust based on the following new reportable segments for the purpose of making decisions in resource allocation and performance assessment:

- Energy Transition: production and retailing of town gas and retailing of natural gas in Singapore, tolling arrangement for the power plant in Singapore, leasing of gas pipelines, sale of electricity produced by wind turbines;
- Environmental Services: concessions in relation to the desalination plant, water treatment plant, recycling and waste-to-energy plants in Singapore and South Korea;
- Distribution & Storage: supply and distributing water treatment chemicals, industrial and specialty chemicals and storage of petroleum products; and
- Corporate: investment holding, asset management and business development.

These new segments espouse KIT refreshed strategy to grow its portfolio through expanding into new sectors and markets, tapping on megatrends such as decarbonisation and digitalisation. The new segments also reinforce the focus on sustainability, which is at the core of KIT's strategy.

Information regarding the Trust's reportable segments for the years ended 31 December 2022 and 31 December 2021 are set out below:

	Energy Transition $'000	**Environmental Services $'000**	**Distribution & Storage $'000**	**Corporate $'000**	**Total $'000**
2022					
Revenue	548,297	124,017	1,333,632	-	2,005,946
Profit/(loss) before tax	69,046	7,453	25,073	(78,088)	23,484
Funds from operations[1]	115,667	78,765	103,991	(66,076)	232,347
Other segment items:					
Depreciation and amortisation	(82,285)	(13,251)	(61,148)	-	(156,684)
Fair value gain/(loss) on derivative financial instruments	52	-	-	-	52
Impairment loss on trade and other receivables (net)	576	7	583	-	1,166
Share of (loss)/results of joint venture	(2,273)	-	(61,446)	-	(63,719)
Finance costs[2]	(59,038)	(8,875)	(26,254)	(17,526)	(111,693)

47. Segment Information (continued)

A reconciliation of Profit before tax to Funds from Operations is provided as follows:

	2022 $'000
Profit before tax	23,484
Reduction in concession/lease receivables	61,902
Non-cash finance cost	5,216
Other non-cash items and transaction costs	43,305
Depreciation and amortisation	156,684
Maintenance capital expenditure	(40,731)
Finance cost attributable to NCI	42,875
Funds from operations from joint venture	14,892
Funds from operations attributable to NCI	(48,130)
Distribution to perpetual securities holders	(27,150)
Basslink's Funds from Operations	-
Funds from Operations	232,347

	Energy Transition $'000	Environmental Services $'000	Distribution & Storage $'000	Corporate $'000	Total $'000
2022					
Segment and consolidated total assets	3,002,947	1,262,892	1,496,043	200,874	5,962,756
Segment liabilities	1,565,710	386,438	879,001	1,104,736	3,935,885
Unallocated liabilities:					
Current tax liabilities					21,593
Deferred tax liabilities					98,122
Consolidated total liabilities					4,055,600
Other segment items					
Additions to non-current assets[3]	23,811	2,934	29,382	-	56,127

	Energy Transition $'000	Environmental Services $'000	Distribution & Storage $'000	Corporate $'000	Total $'000	Exclude Basslink (Discontinued) $'000	From Continuing Operation $'000
2021							
Revenue	453,628	91,932	1,086,867	-	1,632,427	(57,408)	1,575,019
(Loss)/Profit before tax	10,809	17,173	(123,439)	(26,643)	(122,100)	161,857	39,757
Funds from operations[1]	74,376	77,263	139,691	(47,202)	244,128	(45,316)	198,812
Other segment items:							
Depreciation and amortisation	(81,136)	(7,430)	(86,124)	-	(174,690)	15,627	(159,063)
Fair value gain/(loss) on derivative financial instruments	284	-	(170,175)	-	(169,891)	170,175	284
Impairment loss on trade and other receivables (net)	690	-	-	-	690	-	690
Share of results of joint venture	-	-	885	-	885	-	885
Finance costs[2]	(59,193)	(1,870)	(87,887)	(4,050)	(153,000)	63,679	(89,321)

In addition to the depreciation and amortisation reported above, impairment losses of $6,339,000 (Note 6), $2,328,000 (Note 7) and $3,116,000 (Note 8), attributed to the Distribution & Storage segment, were recognised in respect of property, plant and equipment, right-of-use assets and intangible assets respectively.

A reconciliation of Profit before tax to Funds from Operations is provided as follows:

	2021 $'000
Profit before tax	39,757
Reduction in concession/lease receivables	60,447
Non-cash finance cost	3,423
Other non-cash items and transaction costs	(9,140)
Depreciation and amortisation	159,063
Maintenance capital expenditure	(35,663)
Finance cost attributable to NCI	43,850
Funds from operations from joint venture	8,697
Funds from operations attributable to NCI	(50,091)
Distribution to perpetual securities holders	(21,531)
Basslink's Funds from Operations	45,316
Funds from Operations	**244,128**

	Energy Transition $'000	Environmental Services $'000	Distribution & Storage $'000	Corporate $'000	Total $'000	Exclude Basslink (Discontinued) $'000	From Continuing Operation $'000
2021							
Segment and consolidated total assets	2,077,362	403,526	1,526,357	493,538	4,500,783	-	4,500,783
Segment liabilities	1,548,659	58,275	825,711	303,084	2,735,729	-	2,735,729
Unallocated liabilities:							
Current tax liabilities							23,715
Deferred tax liabilities							1,274
Consolidated total liabilities							2,760,718
Other segment items							
Additions to non-current assets[3]	15,087	52	30,165	-	45,304	-	45,304

1 Funds from operations is defined as profit after tax adjusted for reduction in concession/lease receivables, transaction costs, non-cash interest and current cash tax, maintenance capital expenditure, non-cash adjustments and non-controlling interests adjustments.
2 Excludes interest payable on notes issued by subsidiaries to the Trust.
3 Comprises additions to property, plant and equipment, right-of-use assets and intangible assets.

The Group has operations mainly in Singapore, Australia and South Korea. Revenue is based on the country in which the customer is located. Total non-current assets are shown by the geographical area where the assets are located.

	Revenue		Non-current assets[1]	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Continuing Operation:				
Singapore	**625,004**	545,560	**1,910,669**	1,787,868
Australia	**912,630**	702,494	**300,774**	477,249
New Zealand	**316,468**	239,529	**119,564**	117,382
South Korea	**20,766**	-	**876,030**	-
Others	**131,078**	87,436	**418,782**	235,775
	2,005,946	1,575,019	**3,625,819**	2,618,274
Discontinued Operation:				
Australia	**-**	57,408	**-**	-
	2,005,946	1,632,427	**3,625,819**	2,618,274

1 Non-monetary assets comprising property, plant and equipment, intangibles and investment in and advances to joint venture.

Revenue from Environmental Services segment of $103,998,000 (2021: $91,932,000) was solely derived from the only customer of the respective subtrusts. For the Energy Transition segment, revenue of $116,895,000 (2021: $116,940,000) was derived from its only customer. For Distribution & Storage segment, no revenue comes from one major customer.

48. Acquisition of Subsidiaries

For the financial year ended 31 December 2022

On 31 March 2022 and 1 June 2022, the Trust, through its Ixom sub-group, completed the acquisition of the business in Bituminous Products Pty. Ltd. ("BP") and Aromatic Ingredients Pty. Ltd. ("AI") in Australia. The principal activities of BP include manufacturing and supplies of bitumen-based and associated products for road surfacing and general industrial use while the principal activities of AI are wholesale, blend and contract manufacture of essential oils.

On 20 October 2022, the Trust, together with co-investors Keppel Infrastructure Holdings Pte. Ltd. and Keppel Asia Infrastructure Fund LP, through its subsidiary One Eco Co., Ltd, has also completed the acquisition of Eco Management Korea Holdings Co., Ltd ("EMK") in South Korea. The principal activities of EMK are waste treatment, recycling and waste-to-energy services.

On 31 October 2022, the Trust, through its Ixom sub-group, completed the acquisition of the business in Pure Ingredients Pty. Ltd. ("PI"). The principal activities of PI is to distribute ingredients into the health and personal care segment with a focus on natural and organic products.

The acquisitions have been accounted for by the acquisition method of accounting. The fair values of identifiable net assets and the cash outflow of the businesses acquired were as follows:

	2022 $'000				
	EMK	**BP**	**AI**	**PI**	**Total**
Property, plant and equipment	250,057	22,440	-	353	272,850
Right-of-use assets	1,436	2,999	-	-	4,435
Identifiable intangible assets	338,610	21,032	996	60	360,698
Deferred tax assets	538	423	-	-	961
Inventories	1,780	3,858	524	4,630	10,792
Financial assets	48,641	14,684	3	1,561	64,889
Financial liabilities	(18,871)	(6,852)	-	(735)	(26,458)
Borrowings	(234,958)	-	-	-	(234,958)
Lease liabilities	(1,209)	(2,999)	-	-	(4,208)
Deferred tax liabilities	(87,922)	(9,109)	(130)	-	(97,161)
Provisions	(1,584)	(573)	-	(155)	(2,312)
Defined benefits obligation	(2,640)	-	-	-	(2,640)
Total identifiable assets acquired and liabilities assumed	293,878	45,903	1,393	5,714	346,888
Goodwill	314,227	30,492	860	8,700	354,279
Total consideration transferred in cash	608,105	76,395	2,253	14,414	701,167
Net cash outflow arising on acquisition:					
Cash consideration	608,105	76,395	2,253	14,414	701,167
Less: Deferred consideration	-	-	(296)	-	(296)
Less: Cash and cash equivalent balances acquired	(24,716)	(3,582)	-	-	(28,298)
	583,389	72,813	1,957	14,414	672,573

During the year, transaction costs of $25,733,000 was incurred in relation to acquisition of subsidiaries.

The initial accounting for the acquisition of EMK, BP, AI and PI have only been provisionally determined at the end of the financial year. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the management's best estimate of the likely values. The following amounts have been measured on a provisional basis:

EMK
- The fair value of intangible assets (mainly customer relationships and license) are pending completion of internal valuation.

BP
- The fair value of land, buildings and plant and equipment are pending finalisation of an independent valuation.
- The fair value of deferred tax assets and liabilities are pending completion of internal valuation.

AI
- The fair value of potential property, plant and equipment are pending completion of internal valuation.

PI

- The fair value of potential intangible assets are pending finalisation of an independent valuation.
- The fair value of right-of-use assets, lease liabilities, deferred tax assets and liabilities are pending completion of internal valuation.

Goodwill arose on the acquisitions because the cost of the investments included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable assets. Additionally, EMK's growth trajectory underscored by South Korea's increased emphasis to promote a circular economy where EMK would benefit from this vision of sustainable urbanisation and ride on the positive sectorial tailwinds for waste management in South Korea.

The goodwill arising on the acquisition of EMK, BP, AI and PI are not expected to be deductible for tax purposes.

The acquisition of AI involved a deferred consideration arrangement, in which the Group would pay the vendors in two tranches, amounting to A$150,000 ($148,000) in each tranche. The first tranche is due 12 months after completion and the second tranche is due 24 months after completion.

The revenue and profit or loss for the year of the Group, attributable to the additional business generated by EMK, BP, AI and PI are as follows:

	2022 $'000
Revenue	67,066
Profit for the year	411

Had the business combination during the year been effected at 1 January 2022, the consolidated revenue and consolidated profit for the year ended 31 December 2022, without adjusting for the transaction cost and fair value adjustments, which are non-recurring in future periods, arising from the acquisition, would have been as follows:

	From 1 January 2022 to 31 December 2022 $'000
Revenue	212,823
Profit for the year	411
Effect of business combination assumed to be completed on 1 January 2022	(575)
Adjusted loss for the year	(164)

The Trustee-Manager considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis, without adjusting for the transaction cost and fair value adjustment, and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had EMK, BP, AI and PI been acquired at the beginning of the current reporting period, the Trustee-Manager has factored in the amortisation of the intangible assets, depreciation of uplift in fair value of property, plant and equipment and inventory and deferred tax adjustments arising from the acquisition.

For the financial year ended 31 December 2021

On 30 April 2021 and 30 November 2021, the Trust, through its Ixom sub-group, completed the acquisition of 100% of the business in Australian Botanical Products Pty Ltd ("ABP") and SCR Solutions Limited ("SCR") in Australia and New Zealand respectively for a cash consideration of A$34.3 million ($35.0 million) in aggregate. The acquisition has been accounted for by the acquisition method of accounting.

The principal activities of ABP include supply of essential oils, carrier oils, raw materials and fragrances and principal activities of SCR are manufacture and distribute emissions reduction solution (AdBlue).

48. Acquisition of Subsidiaries (continued)

The fair values of identifiable net assets and the cash outflow of the businesses acquired were as follows:

	2021 $'000 ABP	2021 $'000 SCR	2021 $'000 Total
Property, plant and equipment	3,449	2,597	6,046
Right-of-use assets	2,240	-	2,240
Identifiable intangible assets	5,818	-	5,818
Inventories	16,766	641	17,407
Financial assets	8,558	1,310	9,868
Financial liabilities	(4,817)	(1,300)	(6,117)
Lease liabilities	(2,055)	-	(2,055)
Deferred tax liabilities	(703)	-	(703)
Provisions	(2,121)	(55)	(2,176)
Total identifiable assets acquired and liabilities assumed	27,135	3,193	30,328
Goodwill	3,370	1,304	4,674
Total consideration transferred in cash	30,505	4,497	35,002
Net cash outflow arising on acquisition:			
Cash consideration	30,505	4,497	35,002
Less: Contingent consideration	-	(695)	(695)
Less: Cash and cash equivalent balances acquired	(2,662)	-	(2,662)
	27,843	3,802	31,645

In 2021, transaction cost of $4,806,000 was incurred in relation to acquisition of subsidiaries.

The accounting for the acquisition of ABP and SCR has been finally determined at the end of the financial year. At the date of finalisation of these consolidated financial statements, the fair values of intangible assets (customer contracts, brands and patents), land, buildings and plant and equipment were valuated by independent valuers. The fair value of working capital balances (trade receivables, inventory, trade payables) were internally valuated.

Goodwill arose on the acquisitions because the cost of the investments included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable assets.

The goodwill arising on the acquisition of ABP and SCR is not expected to be deductible for tax purposes.

The contingent consideration arrangement for SCR requires the Group to pay the vendor an additional up to NZ$2.8 million ($2.6 million) earnout payment due 12 months after completion, subject to the business meeting its earnout targets. NZ$0.75 million ($0.7 million) represents the estimated fair value of this obligation estimated by applying an income approach.

The revenue and profit or loss for the year of the Group, attributable to the additional business generated by ABP and SCR is as follows:

	2021 $'000
Revenue	27,476
Profit for the year	2,309*

* Profit for the year includes non-recurring transaction cost of $4,806,000 which was recognised in other operating expenses.

Had the business combination during the year been effected at 1 January 2021, the revenue and profit for the year of the Group, without adjusting for the transaction cost and fair value adjustment, which are non-recurring in future periods, arising from the acquisition, would have been as follows:

	From 1 January 2021 to 31 December 2021 $'000
Revenue	1,625,821
Loss for the year	(138,053)
Effect of business combination assumed to be completed on 1 January 2021	1,516
Adjusted loss for the year	(136,537)

The Trustee-Manager considers these 'pro-forma' numbers to represent an approximate measure of the performance of the combined Group on an annualised basis, without adjusting for the transaction cost and fair value adjustment, and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Group had ABP and SCR been acquired at the beginning of the current reporting period, the Trustee-Manager has factored in the amortisation of the intangible assets, depreciation of uplift in fair value of property, plant and equipment and inventory and deferred tax adjustments arising from the acquisition.

49. Events After Balance Sheet Date

To optimise its capital structure, City Energy has obtained a $400 million loan facility effective 30 January 2023, which would be used for refinancing, working capital and other purposes.

On 30 January 2023, each of Coral Holdings Australia Pty Ltd, Nexus Australia Management Pty Ltd, Nexus Investments Australia Pty Ltd and Basslink Australia GP Pty Ltd (Companies) executed a deed of company arrangement ("DOCA"). The DOCA provided (among other things) for the establishment of a deed account to be distributed to creditors, and the extinguishment and release of all remaining unsecured claims against the Companies. Following effectuation and termination of the DOCA, each of the Companies will enter liquidation.

50. Statement of Profit or Loss - Trust

The Statement of Profit or Loss of the Trust, which is for information purpose only, is as follows:

	2022 $'000	2021 $'000
Revenue	**162,076**	147,092
Other income	**3,772**	964
Other losses - net	**(156,892)**	(650,519)
Expenses		
Finance costs	**(17,852)**	(4,051)
Trustee-Manager's fees[1]	**(15,147)**	(12,082)
Other operating expenses	**(7,576)**	(7,082)
Total expenses	**(40,575)**	(23,215)
Loss before tax	**(31,619)**	(525,678)
Income tax expense	**(216)**	(9)
Loss for the year	**(31,835)**	(525,687)
Interest cover ratio*	**14x**	62x

[1] Acquisition fee of $33,661,000 (2021: $3,060,000) was capitalised on the investment in subsidiaries.
* Computed based on adjusted EBITDA/net interest expense.

51. New Accounting Standards and Interpretations

At the date of authorisation of these financial statements, the Group and the Trust have not applied the following SFRS(I) pronouncements that were issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2023

- SFRS(I) 17 Insurance Contracts (including November 2020 and December 2021 Amendments to SFRS(I) 17)
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- Amendments to SFRS(I) 1-8: Definition of Accounting Estimates
- Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for annual reporting periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between Investor and its Associate or Joint Venture

The Trustee-Manager anticipates that the adoption of the above SFRS(I)s and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and the Trust on the period of their initial adoption.

52. Climate Related Risks

KIT Group acknowledges that climate change poses risks to its businesses. As KIT Group expands its footprint globally, with climate change being one of the marquee global risks, KIT Group has a keen interest to manage such risks as these risks could possibly affect the Group's assets, revenue, operations, and investments.

To comply with Task Force on Climate-related Financial Disclosures ("TCFD") recommendations to identify climate-related transition and physical risks, a transition and physical risk assessment which comprised a mix of "chronic" and "acute or extreme" events was undertaken. The potential impact related to the transition and physical climate risks present a worst-case and extreme scenario to inform future strategy and planning, as such, the possibility of an outflow of economic resources is remote, thus neither provisions nor contingent liabilities are recognised nor require further disclosure.

Corporate Governance

The Board of Directors (Board) and management (Management) of Keppel Infrastructure Fund Management Pte. Ltd. (KIFM), as the Trustee-Manager of Keppel Infrastructure Trust (KIT), are fully committed to good corporate governance as they firmly believe that it is essential in protecting the interests of the unitholders of KIT (Unitholders).

The Business Trusts Act, 2004 (BTA) sets out the requirements and obligations in respect of corporate governance. The Business Trusts Regulations (BTR) set out the requirements for, among other matters, the board composition of a trustee-manager, the independence of its directors, and the audit committee composition of a trustee-manager.

In addition, the Trustee-Manager adopts the Code of Corporate Governance 2018 (as amended from time to time)[1] (the 2018 Code) as its benchmark for corporate governance policies and practices. The following describes the Trustee-Manager's main corporate governance policies and practices with specific reference to the 2018 Code and its accompanying Practice Guidance. The Trustee-Manager is pleased to share that KIT has complied with the principles of the 2018 Code as well as all complied in all material aspects in the provisions and practices in the 2018 Code. Where there are deviations from the provisions of the 2018 Code, appropriate explanations have been provided in this Annual Report.

Board Matters: Board's Conduct of Affairs

Principle 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board is responsible for the overall management and the corporate governance of KIT, including establishing goals for Management and monitoring the achievement of these goals. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Trustee-Manager and KIT.

Role: The principal functions of the Board are to:

- Provide entrepreneurial leadership and decide on matters in relation to KIT's activities which are of a significant nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- Oversee the business and affairs of KIT, establish with the Management the strategies and financial objectives (including appropriate focus on value creation, innovation and sustainability) to be implemented by Management, and monitor the performance of Management and ensure that the Company has necessary resources to meet its strategic objectives;
- Hold Management accountable for performance and ensure proper accountability within KIT;
- Oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy and effectiveness of such processes;
- Be responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of KIT and its stakeholders; and
- Assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups.

Internal Limits of Authority: The Trustee-Manager has adopted a set of internal guidelines which sets out the level of authorisation and financial authority limits for investment/business acquisition, operating/capital expenditure, leasing, disposal of assets and various corporate matters. Transactions and matters which require the approval of the Board are clearly set out in the internal guidelines and clearly communicated to Management in writing. Appropriate delegations of authority and approval sub-limits are also provided at the Management level as well as at the Investment Committee level to facilitate operational efficiency.

The Board has reserved authority to approve certain matters including:

- material acquisitions, investments and divestments;
- issuance of new units in KIT (Units);
- distributions to Unitholders; and
- matters which involve conflicts of interest.

Independent Judgment: All directors of the Trustee-Manager (the Directors) are fiduciaries who are expected to act objectively and exercise independent judgment in the best interests of KIT and hold Management accountable for performance. All Directors have discharged this duty consistently well.

[1] The Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018, as amended from time to time.

Corporate Governance

Board Committees: To assist the Board in the discharge of its oversight function, the Audit and Risk Committee, the Nominating and Remuneration Committee, the Environmental, Social and Governance (ESG) Committee, and the Investment Committee have been constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. All the Board committees are actively engaged and play important roles in ensuring good corporate governance. The Board is kept updated on discussions of the committees via circulation of minutes and regular updates by the respective chairman of the committees at Board meetings. The terms of reference of the respective Board committees are disclosed in the Appendix to this report at pages 189 to 193.

Meetings: The Board meets at least four times a year and as warranted by particular circumstances to discuss and review the Trustee-Manager's key activities, including its business strategies and policies for KIT, proposed acquisitions and disposals, the annual budget, review the performance of the business and the financial performance of KIT and the Trustee-Manager. The Board also reviews and approves the release of the financial results. In addition, the Board reviews the risks to the assets of KIT, and acts upon any comments from the internal and external auditors of KIT. Board meetings are scheduled and circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead to attend such meetings, so as to maximise participation.

The Trustee-Manager's Constitution permits Board meetings to be held by way of conference by telephone or any other electronic means of communication by which all persons participating are able, contemporaneously, to hear and be heard by all other participants. Further, the Directors meet without the presence of Management on a need-be basis.

The Directors' appointments and details of membership on Board committees, number of Board and Board committee meetings held during the year under review (FY 2022), as well as the attendance of each Board member at these meetings, are disclosed below.

Board and Board Committee Meetings for FY 2022

	Board Meetings	Audit and Risk Committee Meetings	Nominating Remuneration Committee Meetings	Board ESG Committee Meetings	Investment Committee Meetings	Non-Executive Directors' Meeting (without presence of Management)
Daniel Cuthbert Ee Hock Huat[1]	9	4	2	2	8	1
Thio Shen Yi[1]	8	-	2	2	-	1
Mark Andrew Yeo Kah Chong	9	4	2	-	-	1
Kunnasagaran Chinniah	9	4	-	3	6	1
Chong Suk Shien	8	-	-	3	-	1
Adrian Chan Pengee[2]	2	-	-	1	-	-
Christina Tan Hua Mui	9	-	2	-	8	1
Number of Meetings Held in FY 2022	**9**	**4**	**2**	**3**	**8**	**1**

Notes
1 Mr Thio Shen Yi stepped down as Non-Executive Independent Director on 31 October 2022 and accordingly, ceased to be the Chairman of the Nominating and Remuneration Committee and member of the Board ESG Committee with effect from 31 October 2022. Mr Daniel Cuthbert Ee Hock Huat was appointed as Chairman of the Nominating and Remuneration Committee in place of Mr Thio Shen Yi and stepped down as member of the Board ESG Committee with effect from 31 October 2022.
2 Mr Adrian Chan Pengee was appointed as Non-Executive Independent Director and a member of the Board ESG Committee on 1 October 2022.

Nature of Current Directors' Appointments on the Board and the Details of their Membership on Board Committees

	Board Membership	Audit and Risk Committee	Nominating & Remuneration Committee	Investment Committee	Board ESG Commitee
Daniel Cuthbert Ee Hock Huat[1]	Non-Executive Independent Chairman	Member	Chairman	Member	-
Mark Andrew Yeo Kah Chong	Non-Executive Independent	Chairman	Member	-	-
Kunnasagaran Chinniah	Non-Executive Independent	Member	-	Member	Chairman
Chong Suk Shien	Non-Executive Independent	-	-	-	Member
Adrian Chan Pengee[2]	Non-Executive Independent	-	-	-	Member
Christina Tan Hua Mui	Non-Executive Non-Independent	-	Member	Chairman	-

Notes
1 Mr Thio Shen Yi stepped down as Non-Executive Independent Director on 31 October 2022 and accordingly, ceased to be the Chairman of the Nominating and Remuneration Committee and member of the Board ESG Committee with effect from 31 October 2022. Mr Daniel Cuthbert Ee Hock Huat was appointed as Chairman of the Nominating and Remuneration Committee in place of Mr Thio Shen Yi and stepped down as member of the Board ESG Committee with effect from 31 October 2022.
2 Mr Adrian Chan Pengee was appointed as Non-Executive Independent Director and a member of the Board ESG Committee on 1 October 2022.

If a Director were unable to attend a Board or Board committee meeting, he or she would still receive all the papers and materials for discussion at that meeting. He or she would review them and advise the Chairman of the Board or the Board committee chairman of his or her views and comments on the matters to be discussed so that they may be conveyed to other members at the meeting.

Closed Door Directors' Meetings: The Directors meet on a need-be basis and as and when required without the presence of Management to discuss matters such as Board processes, corporate governance initiatives, succession planning, and performance management and remuneration matters.

Company Secretaries: The Company Secretaries administer, attend and prepare minutes of Board proceedings. They assist the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between Management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board and that the Trustee-Manager's Constitution and relevant rules and regulations are complied with. They also assist the Chairman and the Board to implement corporate governance practices and processes with a view to enhancing long-term Unitholder value. They are also the primary channel of communication between KIT and the Singapore Exchange Securities Trading Limited (SGX).

The appointment and removal of each of the Company Secretaries are subject to the approval of the Board as a whole.

Access to Information: The Board and Management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge Management on its assumptions and proposals and that for this to happen, the Board must be kept well informed of KIT's businesses and affairs and be knowledgeable about the industry in which the businesses operate.

Management provides the Board with complete, adequate, relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis to enable the Board to make informed decisions and discharge their duties and responsibilities. The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of KIT's business, performance, business and financial environment, risk and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the Audit and Risk Committee and the Board regularly.

As a general rule, Board papers are required to be distributed to Directors at least seven days before the Board meeting so that the Directors may better understand the matters prior to the Board meeting and discussions may be focused on questions that the Directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Directors also have separate and independent access to management and the Company Secretaries, and are also provided with the names and contact details of senior management and the Company Secretaries to facilitate direct access to senior management and the Company Secretaries. Directors are entitled to request from Management, and would be provided with, such additional information as may be needed from time to time in order to make informed decisions. In addition, Directors also have separate and independent access to external advisers (where necessary).

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of KIT or the Trustee-Manager, as appropriate.

The Board reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. A Board strategy meeting is organised annually for in-depth discussion on strategic issues and direction of KIT, to give the Directors a better understanding of KIT and its businesses, and to provide an opportunity for the Directors to familiarise themselves with Management so as to facilitate the Board's review of KIT's succession planning.

Director Orientation: A formal letter is sent to newly-appointed Directors upon their appointment explaining their roles, duties, obligations and responsibilities as a board director. All newly-appointed Directors receive a director tool-kit and undergo a comprehensive orientation programme which includes sites visits and management presentations on KIT's businesses, strategic plans and objectives.

Training: Changes to laws, regulations, policies, accounting and financial reporting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on KIT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via the circulation of Board papers. The Directors are also provided with opportunities to develop and maintain their skills and knowledge through continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act, 1967 (Companies Act), or other applicable legislation and industry-related matters, continuing listing obligations and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. All induction, training and development costs are at the Trustee-Manager's expense.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX or will undergo the training required under Rule 210(5)(a) of the Listing Manual. Rule 720(7) of the Listing Manual requires all directors of an issuer to undergo training on sustainability matters as prescribed by the SGX. All Directors have undergone the required sustainability training prescribed by the SGX.

Chairman and CEO: The positions of Chairman and Chief Executive Officer (CEO) are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the CEO are not immediate family members.

The Chairman, with the assistance of the Company Secretaries, schedules meetings and prepares meeting agendas to enable the Board to perform its duties responsibly having regard to the flow of KIT's operations.

He sets guidelines on and monitors the flow of information from Management to the Board to ensure that all material information is provided in a timely manner to the Board for the Board to make good decisions. He also encourages constructive relations between the Board and Management. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting.

At annual general meetings (AGM) and other Unitholders' meetings, the Chairman ensures constructive dialogue between Unitholders, the Board and Management. The Chairman sets the right ethical and behavioural tone and takes a leading role in KIT's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretaries and Management.

The CEO, assisted by Management, makes strategic proposals to the Board and after robust and constructive Board discussion, executes the agreed strategy, manages and develops KIT's businesses and implements the Board's decisions.

The clear separation of roles of the Chairman and the CEO provides a healthy professional relationship between the Board and Management with clarity of roles and robust deliberation on the business activities of KIT.

Board Matters: Board Composition and Guidance

Principle 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Principle 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating and Remuneration Committee
The Trustee-Manager has established a Nominating and Remuneration Committee (NRC) to, among other things, make recommendations to the Board on all Board appointments and oversee the Board and senior management's succession and conducting annual review of board diversity, board size, board independence and directors' commitment. In FY 2022, the NRC comprises four Directors, majority of whom are independent, namely:

Mr Daniel Cuthbert Ee Hock Huat	Chairman
Mr Mark Andrew Yeo Kah Chong	Member
Ms Christina Tan Hua Mui	Member

Mr Thio Shen Yi stepped down from the Board on 31 October 2022, following which he ceased to be the Chairman of the Nominating and Remuneration Committee on the same date. Mr Daniel Cuthbert Ee Hock Huat was appointed as Chairman of the Nominating and Remuneration Committee on 31 October 2022. The detailed responsibilities of the NRC are disclosed at pages 190 to 191 of the Appendix hereto.

Process for appointment of new Directors and Board succession planning
The NRC is responsible for reviewing the succession plans for the Board. In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which more recent appointees bring to the Board's deliberation.

The NRC leads the process and makes recommendations to the Board as follows:

(a) the NRC reviews annually the balance and diversity of skills, experience, gender, age and knowledge required by the Board and the size of the Board which would facilitate decision-making. In this review, the NRC will also take into account the needs of KIT and the collective skills and competencies of the Board;
(b) in light of such review and in consultation with Management, the NRC assesses if there is any inadequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment;
(c) external help (for example, Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and Management may also make suggestions;
(d) the NRC meets with the short-listed candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and
(e) the NRC makes recommendations to the Board for approval.

Criteria for appointment of new Directors
All new appointments are subject to the recommendation of the NRC based on the following objective criteria:

(1) integrity
(2) independent mindedness
(3) diversity – possess core competencies that meet the current needs of KIT and the Trustee-Manager and complement the skills and competencies of the current Directors on the Board
(4) able to commit time and effort to carry out duties and responsibilities effectively
(5) track record of making good decisions
(6) experience in high-performing corporations or infrastructure funds
(7) financial literacy

Endorsement by Unitholders of appointment of Directors
Keppel Capital Holdings Pte. Ltd. (Keppel Capital) had on 1 March 2020 provided an undertaking to the Trustee-Manager (Undertaking) to provide Unitholders with the right to endorse the appointment of the persons who are Directors as of 1 March 2020 (existing Directors) by way of an ordinary resolution at the AGM of Unitholders. Pursuant to the Undertaking, Keppel Capital undertakes to the Trustee-Manager:

(i) to procure the Trustee-Manager to seek Unitholders' endorsement for the appointment of existing Directors no later than the AGM to be held in 2022, provided that the Trustee-Manager shall seek Unitholders' endorsement for at least one-third of the existing Directors (or if their number is not a multiple of three then the number nearest to one-third) at each of the AGMs in 2020 and 2021;
(ii) to procure the Trustee-Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
(iii) (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Trustee-Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM immediately following his or her appointment; and
(iv) to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the Board either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

As Mr Adrian Chan Pengee was first appointed to the Board on 1 October 2022, and the appointments of Mr Kunnasagaran Chinniah and Ms Christina Tan Hua Mui as Directors were endorsed by Unitholders at the AGM held in 2022, accordingly, for the AGM to be held in 2023, the Trustee-Manager has included in the agenda, the resolutions to endorse the appointment of Mr Adrian Chan Pengee and Mr Daniel Cuthbert Ee Hock Huat.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Trustee-Manager or Keppel Capital from appointing or procuring the appointment of any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX) and the constitution of the Trustee-Manager.

The Undertaking shall remain in force for so long as:

1. Keppel Capital continues to hold a majority of the shares in the Trustee-Manager; and
2. Keppel Infrastructure Fund Management Pte. Ltd. remains as the trustee-manager of Keppel Infrastructure Trust.

Alternate Director
The Trustee-Manager has no alternate directors on the Board.

Board Diversity
The Trustee-Manager recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision-making for the benefit of KIT, and is committed to ensuring that the Board comprises Directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink, foster constructive debate and ensure that KIT has the opportunity to benefit from all available talent.

It is paramount that the Trustee-Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of KIT's and the Trustee-Manager's businesses. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Trustee-Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

The Trustee-Manager has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives.

The Board will, taking into consideration the recommendations of the NRC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board. The objectives identified in 2023, and the progress towards achieving such objectives, are set out below:

Corporate Governance

Objectives for 2023

Objectives	Progress
Maintain the gender diversity objective of ensuring that at least 30% of the Board comprises female directors.	With Ms Chong Suk Shien's appointment on 5 March 2021, and Ms Christina Tan Hua Mui who was appointed on 15 September 2016, 33.3% of the Board comprises female directors.

At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to ensuring that at least 30% of the Board comprises female directors and as at the date of this Annual Report, there were two female Directors out of a total of six Directors on the Board.

Annual review of Board size and composition
In FY 2022, the Board consists of six members, five of whom are Non-Executive Independent Directors and the Chairman of the Board is Mr Daniel Cuthbert Ee Hock Huat who is an Non-Executive Independent Director. On 1 October 2022, Mr Adrian Chan Pengee was appointed as a Non-Executive Independent Director and a member of the Board ESG Committee. Following Mr Thio Shen Yi's stepping down from the Board on 31 October 2022, Mr Daniel Cuthbert Ee Hock Huat was appointed as Chairman of the Nominating and Remuneration Committee and stepped down as a member of the Board ESG Committee with effect from 31 October 2022.

The Board, in concurrence with the NRC was of the view the current Board size of six members was appropriate, but would revisit the size and skill set mix from time to time. This is considering the nature, scope and requirements of KIT's businesses and the need to avoid disruptions from changes to the composition of the Board and Board committees. No individual or small group of individuals dominate the Board's decision making.

The nature of the Directors' appointments on the Board and details of their Board committee membership are set out on page 168. The NRC has recently conducted its assessment in January 2023 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age. The NRC is also satisfied that the Directors, as a group, possess core competencies including accounting or finance, legal and regulatory, business or management experience, industry knowledge, engineering strategic planning experience and customer-based experience or knowledge, required for the Board and the Board committees to be effective.

Board Independence
The NRC is also charged with determining the "independence" status of the directors annually. The composition of the Board complies with the BTR and comprises:

(a) at least a majority of the directors who are independent from management and business relationships with the Trustee-Manager;

(b) at least one-third of the directors who are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and

(c) at least a majority of the directors who are independent from any single substantial shareholder of the Trustee-Manager.

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of KIT), a Director must not have any:

(a) management relationships with the Trustee-Manager or with any of its subsidiaries; and

(b) business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations,

that could interfere with the exercise of his or her independent judgment with regard to the interests of all the Unitholders as a whole.

To be considered to be independent from a substantial shareholder of the Trustee-Manager, a Director must not be a substantial shareholder of the Trustee-Manager and is not connected to the substantial shareholder of the Trustee-Manager as provided under the BTR.

Under the 2018 Code, a Director who is independent in conduct, character and judgement and has no relationship with the Trustee-Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of KIT, is considered to be independent.

The Trustee-Manager is wholly-owned by Keppel Capital which is in turn wholly-owned by Keppel Corporation Limited (Keppel Corporation). Keppel Infrastructure Holdings Pte. Ltd. (KI), a wholly-owned subsidiary of Keppel Corporation remains a sponsor of KIT and is the largest unitholder of KIT. Keppel Corporation and its related and associated companies have extensive business activities in offshore and marine, infrastructure, property sectors and investments. Temasek Holdings (Private) Limited (Temasek), by virtue of their interest in Keppel Corporation, is deemed a substantial shareholder of the Trustee-Manager.

The NRC carried out the review on the independence of each non-executive Director for FY 2022 in January 2023 based on the respective Directors' self-declaration in the Directors' Independence Checklist and their actual performance on the Board and Board committees, taking into account the BTR, listing rules on the circumstances in which a director will not be deemed independent and guidance in the 2018 Code as to the circumstances in which a director should not be deemed independent.

Taking into account the views of the NRC, the Board has determined that:

(a) although Mr Daniel Cuthbert Ee Hock Huat is strictly not considered to be independent from Temasek, a deemed substantial shareholder of the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Ee is an independent Director. Mr Ee is a director of Capitaland Ascendas REIT Management Limited (Ascendas), a subsidiary of Temasek. After review, the Board is satisfied that the above relationship will not interfere with Mr Ee's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Ee is an independent non-executive director of Ascendas, (ii) Mr Ee serves on the Board in his personal capacity, not as Temasek's representative, (iii) Mr Ee has declared that he does not act in accordance with the instructions of Temasek, and (iv) Mr Ee has declared that he does not derive any compensation from Ascendas or Temasek other than remuneration received for his service as a director of Ascendas. Mr Ee has also consistently shown independent judgment in his deliberation of the interests of KIT. Mr Ee's participation in the Board will benefit KIT given his expertise. Mr Ee will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries.

(b) Mr Mark Andrew Yeo Kah Chong is independent from management and business relationships with the Trustee-Manager and independent from Keppel Corporation and Temasek.

(c) although Mr Kunnasagaran Chinniah is strictly not considered to be independent from Temasek, a deemed substantial shareholder of the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Chinniah is an independent Director. Mr Chinniah is a director of certain subsidiaries of Temasek, including Azalea Asset Management Pte Ltd, Azalea Investment Management Pte Ltd, Astrea III Pte Ltd, Astrea IV Pte Ltd, Astrea V Pte Ltd and Astrea VI Pte Ltd. Mr Chinniah is also consultant to Pavilion Capital International Pte Ltd, a subsidiary of Temasek. After review, the Board is satisfied that the above relationships will not interfere with Mr Chinniah's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Chinniah is an independent non-executive director or consultant of certain subsidiaries of Temasek, (ii) Mr Chinniah serves on the Board in his personal capacity, not as Temasek's representative, (iii) Mr Chinniah has declared that he does not act in accordance with the instructions of Temasek, and (iv) Mr Chinniah has declared that he does not derive any compensation from Temasek other than remuneration received for his service as a director, advisor or consultant to certain subsidiaries of Temasek. Mr Chinniah is also an investment committee member of Keppel Asia Infra Fund (GP) Pte. Ltd. (KAIF), a wholly-owned subsidiary of Keppel Capital. After review, the Board is satisfied that the above relationship will not interfere with Mr Chinniah's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Chinniah's investment committee member role on KAIF is an independent non-executive role, (ii) he serves on the Board in his personal capacity, not as Keppel Capital's representative; (iii) Mr Chinniah is not an employee of Keppel Capital and does not act in accordance with the instructions of Keppel Capital, and (iv) Mr Chinniah does not derive any compensation from Keppel Capital other than remuneration received for his service as an investment committee member of KAIF.

    The Board is of the view that Mr Chinniah has consistently shown independent judgment in his deliberation of the interests of KIT. Mr Chinniah's participation in the Board will benefit KIT given his expertise. Mr Chinniah will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries and/or Keppel Capital.

(d) Ms Chong Suk Shien is independent from management and business relationships with the Trustee-Manager and independent from Keppel Corporation and Temasek.

(e) although Mr Adrian Chan Pengee is strictly not considered to be independent from Temasek, a deemed substantial shareholder of the Trustee-Manager according to the BTR, nonetheless, the Board considers that Mr Chan is an independent Director. Mr Chan is a director of certain subsidiaries of Temasek, including Azalea Asset Management Pte Ltd, Astrea IV Pte Ltd and Astrea V Pte Ltd. After review, the Board is satisfied that the above relationships will not interfere with Mr Chan's independent judgment and ability to act with regard to the interests of all the Unitholders as a whole. The Board reached its conclusion on the basis that (i) Mr Chan is an independent non-executive director or consultant of certain subsidiaries of Temasek, (ii) Mr Chan serves on the Board in his personal capacity, not as Temasek's representative, (iii) Mr Chan has declared that he does not act in accordance with the instructions of Temasek, and (iv) Mr Chan has declared that he does not derive any compensation from Temasek other than remuneration received for his service as a director to certain subsidiaries of Temasek.

    The Board is of the view that Mr Chan has consistently shown independent judgment in his deliberation of the interests of KIT. Mr Chan's participation in the Board will benefit KIT given his expertise. Mr Chan will however, abstain from the Board's decisions in relation to any matter which involves Temasek and its subsidiaries.

(f) Ms Christina Tan Hua Mui is not considered to be independent from Keppel Corporation. Ms Tan is the Chief Executive Officer and a director of Keppel Capital and a director of several other companies within the Keppel Group, including Alpha Investment Partners Limited, Keppel REIT Management Limited and Keppel DC REIT Management Pte. Ltd.

None of the Directors have served on the Board for continuous period of nine years or longer.

For purposes of transparency:

(a) with respect to KIT's co-investment in a diversified portfolio of operational and pipeline onshore wind projects across Norway, Sweden and the United Kingdom sponsored by Fred. Olsen Renewables AS through Windy EU Holdings Pte. Ltd., a joint-venture company established with Keppel Renewable Investments Pte. Ltd. (wholly-owned subsidiary of Keppel Corporation), Mr Mark Andrew Yeo Kah Chong and Ms Chong Suk Shien were appointed as KIT's nominee directors on Windy Eu Holdings Pte. Ltd. In addition, Windy EU Holdings Pte. Ltd. had entered into a subscription agreement for the purposes of investing in approximately 33.33% of a joint investment vehicle, Wind Fund I AS, and in order to provide KIT with oversight on the portfolio of operational and pipeline onshore wind projects to be co-invested by Wind Fund I AS, Ms Chong Suk Shien had also been appointed as a director of Wind Fund I AS;

(b) with respect to KIT's joint acquisition of Eco Management Korea Holdings Co., Ltd. through One Eco Co., Ltd., a joint-venture investment holding company incorporated jointly by KIT, Keppel EnServices Investment Pte. Ltd. (a wholly-owned subsidiary of Keppel Infrastructure Holdings Pte Ltd) and Keppel Asia Infrastructure Fund LP (together with a co-investor), Mr Daniel Cuthbert Ee Hock Huat was appointed as one of KIT's nominee directors on One Eco Co., Ltd to provide KIT with oversight on Eco Management Korea Holdings Co., Ltd.; and

(c) with respect to KIT's joint acquisition of 50.01% of the share capital of Borkum Riffgrund 2 Investor Holding GmbH from Gulf International Holding Pte. Ltd. through Neptune1 Infrastructure Holdings Pte. Ltd., a joint-venture company established with Keppel Renewable Investments Pte. Ltd. (wholly-owned subsidiary of Keppel Corporation), Mr Daniel Cuthbert Ee Hock Huat and Mr Kunnasagaran Chinniah were appointed as KIT's nominee directors on Neptune1 Infrastructure Holdings Pte. Ltd. The foregoing acquisition is for the purposes of investing in 50% of the partnership interest in Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG, in which Ørsted Wind Power A/S owns the remaining 50% partnership interest. In order to provide KIT with oversight on the German offshore wind farm held by Borkum Riffgrund 2 Offshore Wind Farm GmbH & Co. oHG, Mr Kunnasagaran Chinniah had also been appointed as a director of Borkum Riffgrund 2 Investor Holding GmbH.

While the aforementioned Non-Executive Independent Directors will receive director's fees in connection with their respective appointments as described above, the Practice Guidance to the 2018 Code excludes compensation for board service received from KIT or any of its subsidiaries as one of the circumstances in which a director should be deemed to be non-independent. In addition, such appointments are either as nominee director of KIT (in which case, such Director will, in such capacity, act in the interests of Unitholders) or to provide KIT with oversight on KIT's acquisitions and/or investments.

The Chairman and CEO are separate persons, independent Directors currently comprise more than a majority of the Board, and the various Board committees are chaired by and comprise a majority of independent Directors. If the Chairman is conflicted, the Chairman of the Audit and Risk Committee will lead the Board. There is also a Conflicts Resolution Committee looking into matters of conflict and following the cessation of the Conflicts Resolution Committee and the constitution of the Board ESG Committee on 26 January 2022, the Board ESG Committee will continue to oversee matters of conflict therefrom. In addition, the Whistle-Blower Policy provides an independent mechanism for employees and other persons to raise any concerns, and matters under the policy are reported directly to the chairman of the Audit and Risk Committee. In light of the foregoing, the Board is of the view that it is not necessary, for the time being, to appoint a lead independent Director.

In addition, the current Board comprises individuals who are business leaders and professionals with legal, sustainability, finance, fund management and investment backgrounds. Together, the Board as a group provides an appropriate balance and diversity of skills with core competencies such as industry knowledge, business and management experience, age, gender (two female Directors), strategic planning and customer-based experience. Their varied backgrounds enable Management to benefit from their diverse expertise and experience to further the interests of KIT and its Unitholders.

Taking into account the strong independent character and diversity of the Board, the NRC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of KIT.

Annual review of Directors' time commitments
The NRC assesses annually whether a Director is able to and has been adequately carrying out his or her duties as a Director. Instead of fixing a maximum number of listed company board representation and/or other principal commitments that a Director may have, the NRC assesses holistically whether a director is able to and has been adequately carrying out his or her duties as a Director, taking into account the results of the assessment of the effectiveness of the individual Director, the level of commitment required of the Director's listed company board representations and/or other principal commitments, and the director's actual conduct and participation on the Board and board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings. The NRC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

Taking into account the abovementioned factors, the NRC is of the view that each director has given sufficient time and attention to the affairs of KIT and the Trustee-Manager and has been able to discharge his or her duties as director effectively.

Key information regarding Directors
The following key information regarding the Directors is set out in the following pages of this Annual Report:

Pages 14 to 15: Academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, directorships or chairmanships both present and past held over the preceding five years in other listed companies and other major appointments, whether appointment is executive or non-executive;

Pages 196 to 198: The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Trustee-Manager is seeking endorsement by Unitholders at the annual general meeting; and

Page 203: unitholding in KIT as at 24 February 2023.

Board Matters: Board Performance

Principle 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole and each of its Board committees separately, and the contribution by the Chairman and each individual Director to the effectiveness of the Board.

Independent Coordinator: To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the Board members. Ernst & Young Advisory Pte. Ltd. ("EY"), was appointed for this role. EY does not have any other connection with KIT, the Trustee-Manager or any of the Directors.

Formal Process and Performance Criteria: The evaluation processes are disclosed on pages 193 to 194.

Objectives and Benefits: The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allow him or her to discharge his or her duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or Board committees. The assessment exercise also helped the Directors to focus on their key responsibilities. The individual director assessment exercise allowed for peer review with a view to raising the quality of Board members. It also assisted the NRC in evaluating the skills required by the Board, the size and the effectiveness of the Board as a whole, and in determining whether Directors with multiple listed board representations and other principal commitments were nevertheless able to and had adequately discharged their duties as Directors.

Remuneration Report

Principle 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The composition of the NRC has been set out at the section "Board Matters: Board Composition and Guidance" on page 168. The NRC's responsibilities are set out at pages 190 to 191. The NRC currently comprises entirely of non-executive Directors, a majority of whom are independent Directors.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses and grant of units) and the specific remuneration packages for each Director and the key management personnel. The NRC also reviews the remuneration of the key management personnel of the Trustee-Manager and administers the Trustee-Manager's Unit-based incentive plans. In addition, the NRC reviews the Trustee-Manager's obligations arising in the event of termination of key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from external remuneration consultant where required. In FY 2022, the NRC sought views from external remuneration consultant Willis Towers Watson (WTW) on market practice and trends, and benchmarks against comparable organisations. The NRC undertook a review of the independence and objectivity of the external remuneration consultant through discussions with the external remuneration consultant. The NRC has confirmed that the external remuneration consultant had no relationships with the Trustee-Manager which would affect their independence and objectivity.

Annual Remuneration Report

Although the remuneration of the Directors and employees of the Trustee-Manager is paid by the Trustee-Manager, and not by KIT, the Trustee-Manager is disclosing information on the remuneration of its Directors, CEO and key management personnel.

Policy in respect of Non-Executive Directors' remuneration

The remuneration of Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. Each non-executive Director's remuneration comprises a basic fee and an additional fee for services performed on Board committees. The Chairman of the Board and of each Board committee are paid a higher fee compared with members of the Board and of each Board committee in view of the greater responsibility carried by that office. The directors' fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate. The non-executive Directors participated in additional ad-hoc meetings with Management during the year and are not paid for attending such meetings.

In FY 2022, the NRC, in consultation with WTW, conducted a review of the non-executive Directors' fee structure. The review took into account a variety of factors, including prevailing market practices and referencing Directors' fees against comparable benchmarks as well as the roles and responsibilities of the Board and Board committees. Recognising that Directors have ongoing oversight responsibilities towards the Trustee-Manager, the Directors' fee structure includes payment of units in KIT (KIT Units) to Directors. The incorporation of an equity component in the total remuneration of the Directors is intended to achieve the objective of aligning the interests of the Directors with those of Unitholders and the long term interests of KIT. The Board ESG Committee fee will also be applied to the FY 2022 fee structure given the constitution of the Board ESG Committee.

The Directors' fee structure is as follows:

Main Board	Chairman	S$100,000 per annum
	Director	S$60,000 per annum
Audit and Risk Committee	Chairman	S$36,000 per annum
	Member	S$17,000 per annum
Nominating and Remuneration Committee	Chairman	S$17,000 per annum
	Member	S$9,000 per annum
Board ESG Committee	Chairman	S$17,000 per annum
	Member	S$9,000 per annum
Investment Committee	Chairman	S$17,000 per annum
	Member	S$9,000 per annum

Each of the Directors (including Chairman) will receive 70% of his/her total Director's fees in cash and the balance 30% in the form of KIT Units. The Director's fees for Ms Christina Tan Hua Mui will be paid in cash to Keppel Capital.

Remuneration policy in respect of CEO and Key Management Personnel

The Trustee-Manager advocates a performance-based remuneration system that is flexible and responsive to the market, KIT's and the individual employee's performance.

In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in achieving a balance between current versus long-term remuneration and between cash versus equity incentive remuneration, to attract, retain and motivate key management personnel for the longer term.

The current total remuneration structure reflects four key objectives:

(a) Unitholder Alignment: To incorporate performance measures that are aligned to Unitholders' interest
(b) Long-term Orientation: To motivate employees to drive sustainable long-term growth
(c) Simplicity: To ensure that the remuneration structure is easy to understand and communicate to stakeholders
(d) Synergy: To facilitate talent mobility and enhance collaboration across businesses

The total remuneration structure comprises three components; that is – annual fixed cash, annual performance bonus, and long-term incentives. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances which the Trustee-Manager benchmarks against the relevant industry market median. The size of the Trustee-Manager's annual performance bonus pot is tied to KIT's financial and non-financial performance, and is distributed to employees based on their individual performance. The long-term incentive is in the form of two unit plans, the KIFM Restricted Unit Plan (RUP) and KIFM Performance Unit Plan (PUP). A portion of the annual performance bonus is granted in the form of deferred units that are awarded under the KIFM RUP. The KIFM PUP comprises performance targets determined on an annual basis which vests over a longer term horizon. Executives who have a greater ability to influence group outcomes have a greater proportion of their overall remuneration at risk. The Trustee-Manager performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness.

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of KIT. The mix of fixed and variable rewards is considered appropriate for the Trustee-Manager and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performance. This link is achieved in the following ways:

1. by placing a significant portion of executive's remuneration at risk (at-risk component) and in some cases, subject to a vesting schedule;
2. by incorporating appropriate key performance indicators (KPIs) for awarding annual cash incentives:

   (a) there are four scorecard areas that the Trustee-Manager has identified as key to measuring its performance:

   (i) Financial;
   (ii) Process;
   (iii) Customers & Stakeholders; and
   (iv) People.

   Some of the key sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, corporate social responsibility activities, sustainability efforts, employee engagement, talent development and succession planning;

   (b) the four scorecard areas have been chosen because they support how the Trustee-Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Trustee-Manager's overall strategic goals;

3. by selecting performance conditions for the KIFM PUP such as absolute total unitholder returns that are aligned with Unitholders' interests;
4. by requiring those KPIs or conditions to be met in order for the at-risk component of remuneration to be awarded or to vest; and
5. forfeiture of the at-risk component of remuneration when those KPIs or conditions are not met at a satisfactory level.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore in determining the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of the Trustee-Manager as well as the time horizon of risks, and incorporated risk-adjustments into the remuneration structure through several initiatives, including but not limited to:

(a) prudent funding of annual performance bonus;
(b) granting a portion of the annual performance bonus in the form of deferred units, to be awarded under the KIFM RUP;
(c) vesting of contingent unit award under the KIFM PUP being subject to KPIs and/or performance conditions being met;
(d) potential forfeiture of variable incentives in any year due to misconduct;
(e) requiring the CEO to hold a minimum number of units under the unit ownership guideline; and
(f) exercising discretion to ensure that remuneration decisions are aligned to the Trustee-Manager's long-term strategy and performance and discourage excessive risk taking.

The NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Trustee-Manager's risk profile.

In determining the actual quantum of the variable component of remuneration, the NRC took into account the extent to which the performance conditions, set forth above, had been met. The NRC is of the view that remuneration is aligned to performance during FY 2022.

In order to align the interests of the CEO and key management personnel with that of the Unitholders, the CEO and key management personnel are remunerated partially in the form of Units owned by the Trustee-Manager and are encouraged to hold such Units while they remain in the employment of the Trustee-Manager. Under the unit ownership guideline, the CEO is required to hold at least 2 times of their annual fixed pay in the form of Units, while other key senior management who are eligible for PUP are required to hold at least 1.5 times of their annual fixed pay in the form of Units, delivered to them under PUP and RUP , so as to maintain a beneficial ownership stake in KIT, thus further aligning their interests with Unitholders.

The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what have been disclosed.

In order not to hamper the Trustee-Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the industry where poaching of senior management is commonplace, the Trustee-Manager is disclosing the remuneration of the CEO and key management personnel (who are not Directors or the CEO) in bands of S$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. While such non-disclosure is a deviation from Provision 8.1 of the 2018 Code, the Trustee-Manager is of the view that such disclosure or non-disclosure (as the case may be) is consistent with the intent of Principle 8 of the Code and will not be prejudicial to the interests of the Unitholders as (i) the NRC, which comprises a majority of independent directors, conducted reviews of the Trustee-Manager's remuneration policies and packages; and (ii) sufficient information is provided on the Trustee-Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 175 to 179.

Long-Term Incentive Plans – KIFM Unit Plans

The KIFM RUP and the KIFM PUP (the KIFM Unit Plans) are long-term incentive schemes implemented by the Trustee-Manager in 2015. No employee share option schemes or share schemes have been implemented by KIT.

The KIFM Unit Plans are put in place to increase the Trustee-Manager's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term Unitholder value. The KIFM Unit Plans also aim to strengthen the Trustee-Manager's competitiveness in attracting and retaining talented key management personnel and employees. The KIFM RUP applies to a broader base of employees while the KIFM PUP applies to a selected group of key management personnel. The range of performance targets to be set under the KIFM PUP emphasise stretched targets aimed at sustaining longer-term growth.

The NRC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements, in misconduct resulting in restatement of financial statements or financial losses to KIT or the Trustee-Manager. Outstanding performance bonuses under the KIFM Unit Plans are also subject to the NRC's discretion before further payment or vesting can occur.

Level and mix of remuneration of Directors, CEO and Key Management Personnel for FY 2022

The level and mix of each of the Directors' remuneration are set out below:

Remuneration & Names of Directors	Base/Fixed Salary (S$)	Variable or Performance-related Income/ Bonuses (S$)	Directors' Fees[1] (S$)	Benefits-in-Kind (S$)
Daniel Cuthbert Ee Hock Huat[2]	-	-	144,888	-
Thio Shen Yi[3]	-	-	72,696	-
Mark Andrew Yeo Kah Chong	-	-	105,000	-
Kunnasagaran Chinniah[4]	-	-	102,869	-
Chong Suk Shien[4]	-	-	68,918	-
Adrian Chan Pengee[5]	-	-	17,391	-
Christina Tan Hua Mui[6]	-	-	86,000	-

Notes
1 Each of the Directors will receive 70% of his/her total Director's fee in cash and the balance 30% in the form of KIT Units unless otherwise stated.
2 Mr Daniel Cuthbert Ee Hock Huat was appointed as Chairman of the Nominating and Remuneration Committee in place of Mr Thio Shen Yi and stepped down as member of the Board ESG Committee with effect from 31 October 2022. Fees are pro-rated accordingly.
3 Mr Thio Shen Yi stepped down as a Non-Executive Independent Director of the Board on 31 October 2022 and ceased to be the Chairman of the Nominating and Remuneration Committee and member of the Board ESG Committee with effect from 31 October 2022. Fees are pro-rated accordingly and will be paid 100% in cash.
4 Mr Kunnasagaran Chinniah and Ms Chong Suk Shien were appointed to the Board ESG Committee on 26 January 2022. Fees are pro-rated accordingly.
5 Mr Adrian Chan Pengee was appointed as Non-Executive Independent Director of the Board and member of the Board ESG Committee on 1 October 2022. Fees are pro-rated accordingly.
6 Ms Christina Tan Hua Mui's director's fee will be paid 100% in cash to Keppel Capital.

The level and mix of the remuneration of the CEO and each of the other key management personnel, in bands of S$250,000, are set out below:

Remuneration Band and Names of CEO and Key Management Personnel(1)	Base/Fixed Salary	Variable or Performance-related Income/ Bonuses(2)	Benefits-in-kind	Contingent award of units/shares PUP(3)	RUP(3)
Above S$1,250,000 to S$1,500,000					
Chiang Chang Jopy(4)	30%	26%	1%	17%	26%
Above S$500,000 to S$750,000					
Liu Lei, Marc	47%	35%	2%	5%	11%
Above S$250,000 to S$500,000					
Ng Tiang Poh, Eric	50%	32%	3%	5%	10%

Notes
(1) The Trustee-Manager has less than five key management personnel other than the CEO.
(2) The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key management personnel of the Trustee-Manager was fair and appropriate taking into account the extent to which their KPIs for FY 2022 were met.
(3) Units awarded under the KIFM PUP are subject to pre-determined performance targets set over a three-year performance period. As at 29 April 2022 (being the grant date), the estimated value of each unit granted in respect of the contingent deferred units under the KIFM PUP was S$0.42. As at 15 February 2023 (being the grant date for the contingent deferred units under the KIFM RUP), the volume-weighted average unit price granted in respect of the contingent awards under the KIFM RUP was S$0.55.
(4) In addition to the remuneration disclosed above, Chiang Chang Jopy was granted one-time special performance incentive, taking into account the strong results achieved by KIT which included performance of EBITDA, DI, TSR, as well as strong yield accretive acquisitions in target sectors. The award is subjected to deferral payment similar to existing performance bonus scheme. Should the one-time special performance incentive amount be included, the CEO would be in the remuneration band of S$1,500,000 to S$1,750,000.

Remuneration of employees who are substantial shareholders/Unitholders or immediate family members of a Director, CEO or a substantial shareholder/Unitholder
No employee of the Trustee-Manager was a substantial shareholder of the Trustee-Manager or a substantial unitholder of Keppel Infrastructure Trust or an immediate family member of a Director, the CEO, a substantial shareholder of the Trustee-Manager or a substantial unitholder of Keppel Infrastructure Trust and whose remuneration exceeded S$100,000 during FY 2022. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

Audit Committee

Principle 10:

The Board has an Audit Committee which discharges its duties objectively.

The Board is responsible to Unitholders for providing a balanced and understandable assessment of KIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators, if required.

The Board has embraced openness and transparency in the conduct of KIT's affairs, whilst preserving the commercial interests of KIT. Financial reports and other price-sensitive information are disseminated to Unitholders through announcements via SGXNet, press releases, KIT's website as well as media and analyst briefings.

KIT's Annual Report is accessible on KIT's website. In line with KIT's drive towards sustainable development, KIT encourages Unitholders to read the Annual Report on KIT's website. Unitholders may however request for a physical copy at no cost.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of KIT's performance, position and prospects on a periodic basis and as the Board may require from time to time. Such reports keep the Board members informed of KIT's performance, position and prospects.

Audit and Risk Committee
The Audit and Risk Committee (ARC) has been appointed by the Board from among its members and in FY 2022, comprises the following non-executive Directors, all of whom are independent:

Mr Mark Andrew Yeo Kah Chong	Chairman
Mr Daniel Cuthbert Ee Hock Huat	Member
Mr Kunnasagaran Chinniah	Member

All members of the ARC have accounting or related financial management expertise or experience. Thus, the Board is of the view that all members of the ARC are suitably qualified to assist the Board in areas of internal controls, financial and accounting matters, compliance and risk management, including oversight over management in the design, implementation and monitoring of risk management and internal control systems.

None of the ARC members were former partners or directors of the external auditor of KIT, Deloitte & Touche LLP, within the last 2 years or hold any financial interest in Deloitte & Touche LLP.

The ARC's primary role is to assist the Board to ensure integrity of financial reporting and that a sound internal control and risk management system is in place. The ARC's responsibilities are set out on pages 189 to 190 of the Appendix hereto.

The ARC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources (including access to external consultants) to enable it to discharge its functions properly. For FY 2022, the internal audit functions of KIT and the Trustee-Manager were performed by Keppel Corporation's Group Internal Audit department (Internal Audit). Internal Audit, together with the external auditor, reported their findings and recommendations independently to the ARC. KIT had obtained Unitholders' approval on 19 April 2022 to re-appoint Deloitte & Touche LLP as the external auditor of KIT to hold office until the conclusion of the next AGM of KIT.

A total of four ARC meetings were held in FY 2022. In addition, the ARC met with the external auditor and internal auditor at least once during the year, in each case without the presence of Management. The ARC reviewed and approved the internal auditor's and external auditor's plans to ensure that the scope of audit was sufficient for the purposes of reviewing the significant internal controls and the financial statement audits of KIT and the Trustee-Manager. Such significant controls comprise financial, operational, compliance and information technology controls, and risk management. All significant audit findings and recommendations put up by the internal auditor and external auditor were forwarded to the ARC. Significant issues were discussed at these meetings.

For FY 2022, aggregate fees of approximately S$2,180,000 comprising audit fees of approximately S$1,294,000 and non-audit fees of S$886,000 were paid or payable to the external auditor.

The nature of the non-audit fees are as follows:

Nature	S$
Due diligence service for strategic review on Ixom and other advisory services for Ixom	363,000
Implementation of employees' performance review framework for Ixom	293,000
Agreed upon procedures services in relation to (a) KIT's announcements and (b) for purpose of reporting to regulatory authority	128,000
IT audit for compliance with regulations	81,000
Others	21,000
Total	**886,000**

Appropriate safeguards were also established to address any potential independence threats arising from the provision of non-audit services to the KIT Group which include:

(i) adhering to the guidelines on prohibited non-audit services as set out in KIT's policy on non-audit services; and
(ii) obtaining ARC's approval before any engagement of non-audit services where the total non-audit fees exceed or is expected to exceed 50% of the Group's total audit fees for the financial year.

Where KIT's subsidiaries have its own Audit and Risk Committee (SARC) which would comprise independent directors from such subsidiaries' board, the SARC will assess the independence of the auditor and approve the non-audit fees before tabling for the ARC's review and approval.

Prior to providing quotes for the non-audit services, the external auditor will also perform an internal assessment and ensure that it is in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics of the Accounts (Public Accountants) Rules, to which the external auditor has confirmed to the ARC that they are in compliance with those independence requirements. In addition, the external auditor has also reported to the ARC that they have not identified any breaches of independence requirements of the ACRA Code of Ethics.

Finally, the ARC also periodically reviews the appointment, independence and objectivity of the external auditor based on three criteria namely:

(i) reasonableness of audit fees quoted through a competitive process;
(ii) quality of work provided by the external auditor; and
(iii) relationship with the external auditor which includes consideration of the tenure of external auditor and the level of non-audit services performed by the external auditor.

For FY 2022, to elevate the level of independence, the external auditor also included an independent internal quality control review of the audit engagement. The external auditor is also required to communicate in writing to the ARC all breaches of independence requirements of the ACRA Code of Ethics, and the external auditor had reported that they have not identified any breaches of independence.

In view of the above, the ARC has confirmed that the non-audit services performed by the external auditor would not affect their independence.

KIT has complied with Rule 712, and Rule 715 read with Rule 716 of the Listing Manual in relation to the appointment of its auditing firms.

The ARC also performed independent review of the financial statements of KIT before the announcement of KIT's half yearly results and full year results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have had a material impact on the financial statements.

In its review of the financial statements of KIT for FY 2022, the ARC reviewed the key areas of Management's estimates and judgment applied for key financial issues, which include valuation and assessment of impairment of assets, that might affect the integrity of the financial statements. The ARC also considered the report from the external auditor, including their findings on the key audit matters as set out in the independent auditor's report for FY 2022.

Key Audit Matters	Review by ARC
Impairment of Assets – property, plant and equipment, finite-life intangible assets and goodwill	The ARC considered the methodologies applied in determining the valuation and value-in-use of different asset classes, including the reasonableness of the estimates and key assumptions used. The ARC concurs with the Management's assessment.

Changes to accounting standards and issues which have a direct impact on the financial statements were reported to the ARC by the Trustee-Manager and highlighted by the external auditor in their report to the ARC. In addition, the ARC members were also invited to the workshop on International Financial Reporting Standards hosted by Deloitte & Touche LLP, where relevant changes to the accounting standards that will impact KIT were shared by, and discussed with the firm's representatives from the advisory departments.

In FY 2022, the ARC reviewed the "Whistle-Blower Policy" which provides the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

To facilitate the management of incidences of alleged fraud or other misconduct, the ARC follows a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Whistle-Blower Policy annually to ensure that it remains current. The details of the Whistle-Blower Policy are set out on pages 194 to 195.

Management reported to the ARC the interested person transactions (IPTs) on a quarterly basis. The IPTs were reviewed by the internal auditor and all findings, if any, were reported during the ARC meetings on a half-yearly basis in accordance with KIT's Unitholders' Mandate (as defined below) for IPTs.

Risk Management Internal Controls

Principle 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board, supported by the ARC, oversees the Trustee-Manager's and KIT's system of risk management and internal controls. It is guided by a set of Risk Tolerance Guiding Principles as detailed under the "Risk Management" section on pages 201 to 202 of this Annual Report.

The ARC assists the Board in the effective discharge of its responsibilities in ensuring that the Trustee-Manager and KIT maintain a sound system of risk management and internal controls to safeguard KIT's assets and Unitholders' interests. The ARC reviews and guides the Trustee-Manager in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, and ensures that the Trustee-Manager has put in place internal control policies and procedures in areas such as financial, operational, compliance, information technology controls, and risk management. The ARC reports to the Board on critical risk issues, material matters, findings and recommendations.

Recognising and managing risks in a timely and effective manner is essential to the business of KIT and to protect Unitholders' interests and value. KIT operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risks lies with the Trustee-Manager, working within the overall strategy outlined by the Board. The Trustee-Manager has appointed experienced and well-qualified Operation and Maintenance (O&M) teams and contractors to handle KIT's assets' day-to-day operations.

The Trustee-Manager's internal auditor and external auditor conducts an annual review of the adequacy and effectiveness of KIT's and the Trustee-Manager's material internal controls, including financial, operational, compliance and information technology controls. Any material non-compliance or failure in internal controls and significant risk matters, and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal auditor and external auditor.

The Board met four times in FY 2022 to review the financial performance of KIT during the year. During FY 2022, the Board also discussed the key business risks for KIT and the risk management policies and procedures that Management had put in place.

In assessing business risks, the Board takes into consideration the economic environment, the risks relevant to the infrastructure industry, the risks particular to KIT and the procedures put in place by the O&M teams and contractors. The Trustee-Manager has implemented a systematic risk assessment process to identify business risks and mitigating actions. The Trustee-Manager's approach to risk management and internal controls and the management of key business risks are set out in the "Risk Management" section on pages 201 to 202 of this Annual Report.

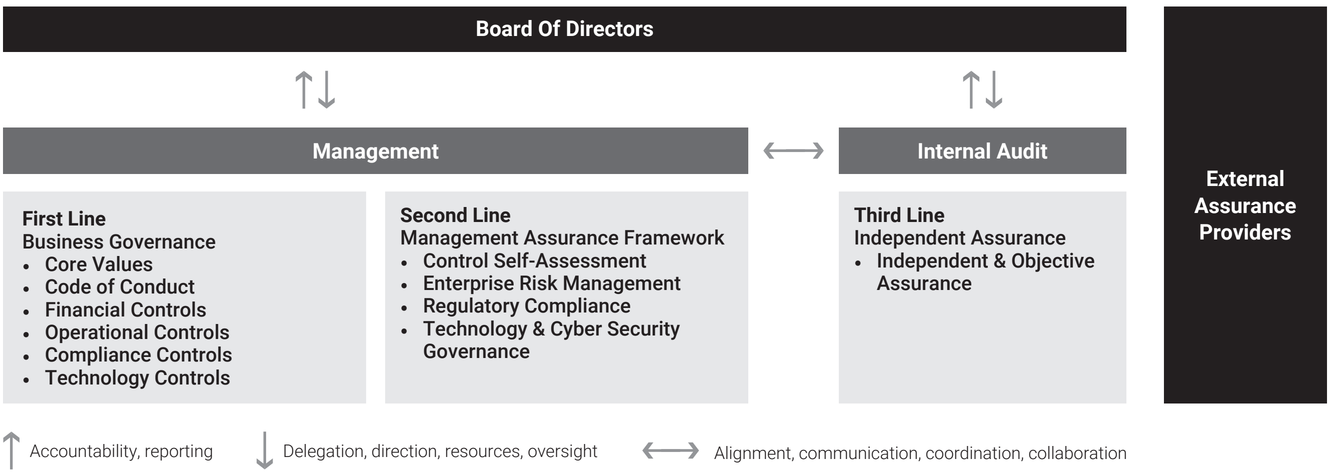
The Trustee-Manager has in place a framework to facilitate the Board's assessment on the adequacy and effectiveness of the Trustee-Manager's and KIT's risk management system (the "Assessment Framework"). The Assessment Framework lays out the governing policies, processes and systems pertaining to each of the identified business risk areas, and assessments are made on the adequacy and effectiveness of such policies, processes and systems. The Board reviews both the assessments and the framework and opines on any gaps or areas of improvement.

The Risk Tolerance Guiding Principles and Assessment Framework are reviewed and updated annually.

In addition, the Trustee-Manager has adopted, among others, the Whistle-Blower Policy, Insider Trading Policy, Dealing in Securities Policy and Code of Practice for Safeguarding Information which reflect the management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

The Trustee-Manager and KIT have in place the KIT's System of Management Controls ("KSMC") outlining its internal control and risk management processes and procedures. KSMC comprises the Three Lines Model to ensure the adequacy and effectiveness of the Trustee-Manager's and KIT's system of internal controls and risk management.

KIT's System Of Management Controls



Under the First Line of Business Governance, management, supported by their respective line functions and committees, are responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing KIT and the Trustee-Manager in the course of running their business. Appropriate policies, procedures and controls are implemented and operationalised in line with KIT's and the Trustee-Manager's risk appetite to address such risks.

Employees are also guided by the KIT Group's Core Values and are expected to comply strictly with KIT Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line.

- KIT and the Trustee-Manager are required to conduct a control self-assessment exercise (CSA) to assess the status of their respective internal controls on an annual basis. The annual CSA exercise is overseen by the Control Assurance team of Keppel Corporation Limited. Remedial actions are implemented to address all control gaps identified during the CSA exercise.
- Under KIT's Enterprise Risk Management Framework, significant risk areas are also identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks.
- Regulatory Compliance works alongside business management to ensure that relevant policies, processes, and controls are effectively designed, implemented and managed to mitigate compliance risks that KIT and the Trustee-Manager face in the course of their business.
- KIT leverages on the Technology Governance Framework overseen by Group Information Technology of Keppel Corporation Limited. The Technology Governance Framework aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security and manage technology risks for KIT and the Trustee-Manager. This framework was further strengthened in January 2021 with the formalisation of an enhanced Keppel Group Cyber Security Governance structure which includes the repurposing of Keppel's existing IT Security Operations Centre into a Cyber Security Centre with enhanced capabilities to ensure that the baseline security posture is maintained, and is overseen by a dedicated Keppel Group Cyber Security function which drives the enterprise vision, strategy and programme to ensure that KIT's and the Trustee-Manager's technology assets are adequately protected. The Technology Governance and Cyber Security Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

The Third Line comprises independent assurance from internal audit, as well as external audit performed by external assurance providers. Internal audit provides the Board and senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to the Trustee-Manager's preparation of financial statements and performs tests on such internal controls where they are assessed to be necessary in support of the audit opinion issued on the financial statements of KIT and the Trustee-Manager.

The CEO and CFO are required to provide KIT and the Trustee-Manager with written attestation as to the adequacy and effectiveness of their system of internal controls and risk management.

The Board has received assurances from the CEO and CFO that, amongst others, as at 31 December 2022:

(a) the financial records of KIT have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Trustee-Manager and KIT;

(b) the internal controls of the Trustee-Manager and KIT are adequate and effective to address the financial, operational, compliance and information technology risks which the Trustee-Manager considers relevant and material to its current business scope and environment and that they are not aware of any material weakness in the system of internal controls; and

(c) they are of the view that the Trustee-Manager's and KIT's risk management system is adequate and effective.

Based on the internal controls and enterprise-wide risk management framework established and maintained by the Trustee-Manager, work performed by internal and external auditors, and reviews performed by management and the ARC, as well as the assurances set out above, the Board is of the view that, as at 31 December 2022, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management system were adequate and effective to address the risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud and other irregularities.

The ARC concurs with the Board's view that, as at 31 December 2022, the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which the Group considers relevant and material to its operations.

Internal Audit

The internal audit function of the Trustee-Manager and KIT is performed by Keppel Corporation's Group Internal Audit. The role of the internal auditor is to provide independent assurance to the ARC that the Trustee-Manager and KIT maintain a sound system of internal controls by performing risk-based reviews of key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in- depth audits of high risk areas.

Staffed by suitably qualified executives, Internal Audit has direct access to the ARC and unrestricted access to all of the Trustee-Manager's and KIT's documents, records, properties and personnel and has appropriate standing within KIT and the Trustee-Manager. The Head of Internal Audit's primary line of reporting is to the Chairman of the ARC.

Internal Audit is guided by and has aligned its practices with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Incorporated (IIA). External quality assessment reviews are carried out at least once every 5 years by qualified professionals, with the last assessment conducted in 2021 by the appointed firm KPMG. KPMG rated Internal Audit as adequate and effective and re-affirmed that it generally conforms to all the international standards promulgated by IIA.

The professional competence of Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to ensure that their technical knowledge and skill sets remain current and relevant.

Internal Audit adopts a risk-based approach to audit planning and execution that focuses on key risks, including financial, operational, compliance and technology risks. An annual audit plan is developed based on a structured risk and control assessment framework. Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. In addition, significant audit findings and recommendations are discussed at the ARC meetings. To ensure timely and proper closure of audit findings, the status of implementation of the actions agreed by Management is tracked and reported to the ARC.

The ARC also reviews the effectiveness of the actions taken by the management on the recommendations made by Internal Audit and the external auditors. The ARC reviewed and is satisfied that Internal Audit is independent, adequately resourced and effective in performing its functions and has appropriate standing within KIT and the Trustee-Manager.

Unitholder Rights, Conduct of Unitholder Meetings and Engagement with Unitholders and Stakeholders

Principle 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

In addition to the matters mentioned above in relation to "Access to Information/Accountability", the Trustee-Manager regularly communicates with Unitholders, and promptly addresses investors' queries and concerns.

All Unitholders are treated fairly and equitably, and the Trustee-Manager strives to provide timely corporate updates to its Unitholders and stakeholders, including changes in KIT and/or its businesses, which may have material impact to the price or value of its Units.

The Trustee-Manager actively engages with Unitholders with a view to solicit and understand their views. The Trustee-Manager has in place an Investor Relations (IR) Policy which sets out the principles and practices that it applies when providing Unitholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The Trustee-Manager's IR Policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. The IR Policy is published on KIT's website at www.kepinfratrust.com, and is reviewed regularly to ensure its relevance and effectiveness.

The Trustee-Manager employs various platforms to enhance its outreach to Unitholders, with an emphasis on timely, accurate, fair and transparent disclosure of information. The Trustee-Manager has arrangements in place to identify and engage with its stakeholder groups and to manage its relationships with such groups. Material information is disclosed in a comprehensive, accurate and timely manner through the SGX via SGXNet and/or media releases, as well as via KIT's website. The Trustee-Manager ensures that unpublished price-sensitive and trade-sensitive information is not selectively disclosed, and on the rare occasion when such information is inadvertently disclosed, it is immediately released to the public through the SGX via SGXNet and/or media releases, as well as via KIT's website.

KIT, being a business trust, is allowed to pay distributions to Unitholders out of its retained cash and residual cash flows, in accordance with its distribution policy as set out in KIT's Trust Deed[2]. This is unlike companies, which are governed by the Companies Act, and can only make dividend payments out of accounting profits.

Unitholders are kept abreast of the latest announcements and updates regarding KIT via its corporate website. The Trustee-Manager also keeps the investment community apprised of corporate developments through regular meetings and conference calls. In addition, the Trustee-Manager engages with investors regularly to update them on the performance and prospects of KIT, thereby building trust, rapport and ensuring effective two-way communication with the investment community.

In 2022, the Trustee-Manager engaged more than 360 global investors and analysts through conferences and meetings, as well as conference calls, to share business updates, market outlook and growth plans. The Trustee-Manager also continued its engagement with the retail investment community through various dialogue sessions and webinars.

More details on the Trustee-Manager's investor relations activities are found on pages 34 to 35 of this Annual Report.

[2] The Trust Deed is available for inspection by Unitholders and Unitholders should make an appointment with the Trustee-Manager if they wish to do so.

The Trustee-Manager ensures that Unitholders have the opportunity to participate effectively and vote at Unitholders' meetings. Unitholders are informed of such meetings through annual reports or circulars made available to all Unitholders and/or notices published in the newspapers, KIT's website and through the SGX via SGXNet. Unitholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. Unitholders are also informed of the rules, including voting procedures, governing such meetings.

In accordance with the BTA and the KIT Trust Deed, if any Unitholder is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than one proxy to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and class shall be specified). The Trustee-Manager tables separate resolutions at Unitholders' meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Trustee-Manager explains the reasons and material implications in the notice of meeting.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, KIT's AGM was held virtually on 19 April 2022. To facilitate participation, Unitholders were encouraged to submit their questions and proxy votes ahead of the AGM and register to view the live webcast of the AGM proceedings. At the virtual meeting, the Board and senior management reported on KIT's performance for FY 2021, and addressed questions and comments that Unitholders submitted in advance as well as "live" via the textbox Q&A function at the AGM. All AGM resolutions were polled electronically with an independent scrutineer appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting. Minutes of the meeting, as well as responses to relevant and substantial questions from Unitholders were subsequently published on SGX and made available on KIT's website at www.kepinfratrust.com.

Where possible, all the Directors will attend the Unitholders' meetings. In particular, the chairmen of the Board and the Board committees are required to be present to address questions at general meetings. The external auditor is also present at such meetings to assist the Directors to address Unitholders' queries, if necessary. The number of Unitholders' meetings held in FY 2022, as well as the attendance of each Board member, are disclosed in the following table:

Director	Unitholders' Meetings Attended
Daniel Cuthbert Ee Hock Huat	2
Thio Shen Yi[1]	2
Mark Andrew Yeo Kah Chong	2
Kunnasagaran Chinniah	2
Chong Suk Shien	2
Adrian Chan Pengee[2]	0
Christina Tan Hua Mui	2
No. of Meetings held in FY 2022	**2**

(1) Mr Thio Shen Yi stepped down as Non-Executive Independent Director on 31 October 2022.
(2) Mr Adrian Chan Pengee was appointed as a Non-Executive Independent Director on 1 October 2022 and accordingly, did not attend the annual and extraordinary general meetings held in FY2022.

The Trust Deed allows for absentia voting at general meetings by way of proxy. While the Trustee-Manager has implemented absentia voting by way of proxy through the proxy forms disseminated to Unitholders, the Trustee-Manager has not implemented other absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretaries prepare minutes of Unitholders' meetings, which incorporate substantial comments or queries from Unitholders and responses from the Board and Management. These minutes are uploaded on SGX via SGXNET and published on KIT's website.

Investment Committee
On 23 July 2021, the Board constituted the Investment Committee for the primary purpose of assisting the Board to guide KIT in exercising the spirit of enterprise as well as prudence to earn optimal risk-adjusted returns on invested capital in line with KIT's investment mandate. In FY 2022, the Investment Committee comprised of two independent Directors:

Ms Christina Tan Hua Mui	Chairman
Mr Daniel Cuthbert Ee Hock Huat	Member
Mr Kunnasagaran Chinniah	Member

The detailed responsibilities of the Investment Committee are disclosed at page 192.

Securities Transactions

Insider Trading Policy
The Trustee-Manager has a formal Insider Trading Policy on dealings in the securities of KIT, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealing with KIT's securities on short-term considerations. The policy has been distributed by the Trustee-Manager to its Directors and officers. In FY 2022, the Trustee-Manager issued circulars to its Directors and officers informing that the Trustee-Manager and its officers must not deal in listed securities of KIT if they are in possession of unpublished price-sensitive information, and during the period commencing one month before the release of the half year and full year results and ending on the date of the announcement of the relevant results, this being consistent with Rule 1207(19) of the Listing Manual.

Dealing in Securities Policy
In addition to the Insider Trading Policy, the Trustee-Manager has a formal Dealing in Securities Policy, which applies to all employees and the securities accounts that employees have a beneficial interest. Pursuant to this policy, the trading of rights and the subscription of excess rights of KIT's Units are subject to trade clearance/restrictions. In general, a list of securities which employees are not allowed to trade without pre-clearance from the Keppel Capital compliance team is maintained. All employees must, before trading, check if the intended securities are listed on this restricted list. The restricted list is broadcasted to all employees at the beginning of each week and as and when it is updated. In addition, the policy also states that all employees should not trade on short-term considerations or be engaged in same day turnaround trades or swing trading.

Conflicts of Interests

Board ESG Committee
On 26 January 2022, the Board constituted the Board ESG Committee for the primary purpose of, among others developing and articulating KIT's ESG strategy as well as overseeing matters on safety and conflicts resolution. As of the date of this Annual Report, the Board ESG Committee comprised of three independent Directors:

Mr Kunnasagaran Chinniah	Chairman
Ms Chong Suk Shien	Member
Mr Adrian Chan Pengee	Member (appointed on 1 October 2022)

The detailed responsibilities of the Board ESG Committee are disclosed at pages 192 to 193.

In FY 2022, the Board ESG Committee's role includes a review of conflicts or potential conflicts of interest that may arise from time to time in the course of KIT's business or operations between (i) KIT and (ii) any Director or officer of the Trustee-Manager, any controlling Unitholder (as defined in the Listing Manual), or any controlling shareholder of the Trustee-Manager (as defined in the Listing Manual).

The Board ESG Committee had adopted the following framework to resolve such conflicts or potential conflicts of interest:

(a) first, to identify the conflict or potential conflict and then assess and evaluate its nature and extent; and

(b) then, to develop and implement one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict.

The Board ESG Committee applied this framework both in the course of day-to-day conduct of business, as well as in the specific instances when a particular acquisition or disposal was contemplated. In the course of day-to-day conduct of business, all Directors, officers and employees of the Trustee-Manager are obliged to keep strictly confidential all matters received by them in the course of their service to the Trustee-Manager (including without limitation information relating to potential acquisition or disposal opportunities) and not disclose any such matter to any other person.

As an example, when the Trustee-Manager identifies an acquisition or disposal target and seeks the approval of the Board to pursue the transaction:

(a) Each Director and officer of the Trustee-Manager would be obliged to disclose to the Board ESG Committee whether he or she, as far as he or she was aware, his or her affiliates (including family members, companies of which he or she was a significant shareholder, director or employee) have an interest in pursuing the same target (Potential Conflict of Interest);

(b) If any Director or officer of the Trustee-Manager disclosed to the Board ESG Committee that he or she or his or her affiliates have a Potential Conflict of Interest, the Board ESG Committee would consider the nature and extent of the Potential Conflict of Interest and develop such measures as may be appropriate to address these issues (including, where material, disclosure of such measures to Unitholders at the appropriate time);

(c) As part of such measures, the Board ESG Committee may require the relevant Director or officer of the Trustee-Manager to either abstain from participating in the deliberations of the Board on the transaction, or abstain from voting in the transaction, or both;

(d) The Board ESG Committee would monitor the implementation by the Trustee-Manager of the measures imposed by the Board ESG Committee in order to resolve or mitigate the Potential Conflict of Interest; and

(e) The obligation on the Director and officer of the Trustee-Manager to make disclosures to the Board ESG Committee, and on the Board ESG Committee to review, a Potential Conflict of Interest in relation to any particular transaction is an ongoing obligation and lasts for so long as that transaction is still on- going. This obligation is not imposed only at the start of the transaction. Thus, if in the course of considering the transaction, a Director or officer of the Trustee-Manager should learn of a Potential Conflict of Interest, then that Director or officer of the Trustee-Manager is required as soon as practicable to make the necessary disclosure to the Board ESG Committee so that the Board ESG Committee may consider such matters and take the necessary actions.

The Board ESG Committee would periodically review the framework to ascertain how it has worked out in practice and, where appropriate, would consider and implement further measures to fine-tune the framework so as to make it better suited to the potential conflict issues that the Trustee-Manager may face, including procedures to ensure that no controlling Unitholder or controlling shareholder of the Trustee-Manager would be able to influence the evaluation of potential acquisitions, disposals or other transactions in a manner contrary to the interests of Unitholders as a whole.

The Board ESG Committee would have the power to appoint an independent adviser to advise on and recommend procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the Board ESG Committee to discharge its duties to the Unitholders. The independent adviser may also be called on to provide an opinion as to whether the procedures recommended by the Board ESG Committee to resolve or mitigate conflicts or potential conflicts are carried out in an appropriate and effective manner.

The framework will be in place for so long as (i) the Trustee-Manager remains as the Trustee-Manager of KIT; (ii) Keppel Capital, its related corporations and/or any of its associates remain as controlling shareholders (as defined in the Listing Manual) of the Trustee-Manager or in fact exercise control (as defined in the Listing Manual) over the Trustee-Manager; and (iii) KI remains as a controlling Unitholder of KIT.
The roles and responsibilities of the Board ESG Committee, including the framework and additional guidelines adopted by the Board ESG Committee, and are set out in detail on pages 192 to 193.

Specific potential conflict of interest
There may be potential conflict of interests between KIT, Keppel Capital, Keppel Capital group entities (ie. a subsidiary entity, trust or undertaking of Keppel Capital, excluding for the avoidance of doubt each of the Trustee-Manager and its subsidiary entities, trusts and undertakings), KI and other KI group entities (ie. a subsidiary entity, trust or undertaking of KI).

Although the Trustee-Manager is a wholly-owned subsidiary of Keppel Capital, its Board composition includes five independent Directors which make up more than the majority of the Board. All the Directors and officers of the Trustee-Manager have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceeding of the Board unless expressly invited to by the Board and shall abstain from voting in respect of any such transaction where the conflict arises, unless (in the case of interested person transactions) the ARC or (in the case of a conflicts of interest) the Board ESG Committee has determined that there is no such interest or conflict of interest.

In respect of matters of KIT which Keppel Corporation, Keppel Capital, KI and/or their subsidiaries have an interest, direct or indirect, Ms Christina Tan Hua Mui shall abstain from voting in view of her directorship or employment (where applicable) with Keppel Corporation, Keppel Capital and/or their subsidiaries. In respect of matters of KIT which Keppel Capital have an interest, direct or indirect, Mr Kunnasagaran Chinniah shall abstain from voting in view of his role as an investment committee member of Keppel Asia Infra Fund (GP) Pte. Ltd., a wholly-owned subsidiary of Keppel Capital. In respect of matters of KIT which Temasek and/or its subsidiaries have an interest, direct or indirect, (a) Mr Daniel Cuthbert Ee Hock Huat shall abstain from voting in view of his directorship on a subsidiary of Temasek, (b) Mr Adrian Chan Pengee shall abstain from voting in view of his directorships on certain subsidiaries of Temasek and (c) Mr Kunnasagaran Chinniah shall also abstain from voting in view of his directorship with and in his capacity as advisor or consultant to certain subsidiaries of Temasek. In such matters, the quorum will comprise a majority of the rest of the independent Directors of the Trustee-Manager. Such matters will fall also within the purview of the ARC.

KI and its associates cannot vote their Units at, or be part of a quorum for, any meeting of Unitholders convened to approve any matter in which KI or any of its associates has a material interest in the business to be conducted.

In addition, if the Trustee-Manager is required to decide whether to take action against any person in relation to a breach of any agreement entered into by the Trustee-Manager for and on behalf of KIT with an interested party of the Trustee-Manager, the Trustee-Manager shall consult with a reputable law firm for legal advice on the matter. For example, if there is a breach of an O&M agreement, the Trustee-Manager will be required to consult a reputable law firm for legal advice on the matter.

Disclosure of conflicts or potential conflicts of interest
During FY 2022, the Board ESG Committee reviewed conflicts or potential conflicts of interest in the course of KIT's business or operations between (i) KIT and any (ii) Director or officer of the Trustee-Manager, controlling Unitholder, or controlling shareholder of the Trustee-Manager.

KIT Code of Conduct

The Trustee-Manager adheres to the KIT Code of Conduct which establishes a culture of high integrity and reinforces ethical business practices.

This policy addresses, at the employee level, the standards of acceptable and unacceptable behaviour and personal decorum as well as issues of workplace harassment. On the business front, the policy addresses the standards of business behaviour including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests. The policy also requires all staff to avoid any conflict between their own interests and the interests of the Trustee-Manager and KIT Group in dealing with its suppliers, customers and other third parties.

The policy requires business to be conducted with integrity, fairly, impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. Relevant anti-corruption measures are also spelt out to protect the business, resources and reputation of KIT and the Trustee-Manager. Employees must not offer or authorise the giving, directly or through third parties, of any bribe, kickback, illicit payment, benefit-in-kind or any other advantage to any person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Similarly, employees must not solicit or accept illicit payment, directly or indirectly, from any person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

New employees are briefed on the policy when they join the Trustee-Manager. Subsequently, all employees are required to acknowledge the policy annually to ensure awareness.

Interested Person Transactions

The Trustee-Manager's Internal Control System

The Trustee-Manager has established an internal control system to ensure that all IPTs are undertaken on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders.

On 19 April 2022, the Trustee-Manager obtained a general mandate from KIT's Unitholders pursuant to Chapter 9 of the Listing Manual (Unitholders' Mandate) to enable KIT, a subsidiary of KIT or an associated company of KIT (collectively the Entities at Risk or EAR Group), as the term is used in the Listing Manual, in the ordinary course of their business, to enter into IPTs with interested persons which are necessary for the day-to-day operations of KIT, provided that such transactions are made on normal commercial terms and are not prejudicial to KIT and its minority Unitholders. The Unitholders' Mandate remains in force until the next AGM.

In view of the time-sensitive nature of commercial transactions and the frequency of commercial transactions between members in the EAR Group and KIT's interested persons, it would be advantageous to KIT to renew the above Unitholders' Mandate and the Trustee-Manager will seek Unitholders' approval for the same during the forthcoming AGM.

The IPTs transacted for FY 2022 (and its comparison against the previous financial year) are as follows.

Name of Interested Person/ Nature of Transaction	Nature of relationship	Aggregate value of all interested person transactions during FY 2022 under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted during FY 2022 under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
		FY 2022 SS$'000	FY 2021 SS$'000	FY 2022 SS$'000	FY 2021 SS$'000
1. Temasek Holdings (Private) Limited and its Associates("Temasek")	Temasek is an indirect controlling unitholder of KIT and a controlling shareholder of the Trustee-Manager				
General Transaction					
(a) Sales of Goods and Services		**-**	-	**4,965**	1,764
(b) Purchases		**-**	-	**358,587**	239,047
(c) Rental Expense		**-**	-	**2,883**	-
(d) Reimbursement of expenses		**-**	-	**381**	16,907
(e) Treasury Transactions		**-**	-	**3,400**	1,752
Total		**-**	-	**370,216**	259,470
2. Keppel Corporation Group ("KCL")	KCL is an indirect controlling unitholder of KIT and a controlling shareholder of the Trustee-Manager				
General Transaction					
(a) Sales of Goods and Services		**-**	-	**836**	511
(b) Management Fee Expense		**-**	-	**42,038**	15,792
(c) Purchases		**-**	-	**77,599**	133,908
(d) Rental Expense		**-**	-	**3,071**	-
(e) Reimbursement of expenses		**-**	-	**105**	1,013
(f) Treasury Transactions		**-**	-	**201,755**	389,146
(g) Acquisition or Investment		**966,174**	-	**-**	-
Total		**966,174**	-	**325,404**	540,370

Material Contracts

For FY 2022, there was no material contract that was not in the ordinary course of business, entered into by KIT or any of its subsidiaries involving the interest of the CEO, any Director, or controlling Unitholder.

Statement of Policies and Practices

The Trustee-Manager has established policies and practices in relation to its management and governance of KIT to ensure that KIT is managed in the interest of the Unitholders. These policies and practices include:

(a) the trust property of KIT is properly accounted for and trust property is kept distinct from the property of the Trustee-Manager in its own capacity. The Trustee-Manager maintains different bank accounts in its personal capacity and in its capacity as the Trustee-Manager of KIT;

(b) the Board reviews and approves all investments, acquisitions and divestments by KIT in accordance with the business objectives and investment scope as set out in KIT's Trust Deed;

(c) the Board has set up the Board ESG Committee on 26 January 2022, consisting entirely of independent Directors, to deal with conflicts or potential conflicts of interest between KIT and the Trustee-Manager. The details of the measures taken are as set out at pages 192 to 193;

(d) the Trustee-Manager has established internal control systems to ensure that all IPTs are undertaken on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders. The internal auditor carries out a review of IPTs and submit a report to the ARC (comprising entirely of independent Directors). The ARC reviews the report submitted and ensures compliance with applicable legislation and the relevant provisions of the Listing Manual. The details of the IPTs for FY 2022 are set out at page 187;

(e) the Trustee-Manager has adopted, among others, a Whistle-Blower Policy, Dealing in Securities Policy, KIT's Enhanced Code of Conduct, a Code of Practice on Safeguarding Information and an Insider Trading Policy which reflect the Management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards;

(f) the expense and cost allocations (if any) payable to the Trustee-Manager in its capacity as Trustee-Manager of KIT out of the trust property of KIT are reviewed and approved by the Board, to ensure that the fees and expenses charged to KIT are appropriate and in accordance with KIT's Trust Deed. The fees and expenses paid to the Trustee-Manager relate to Management Fees and Performance Fees disclosed at page 155;

(g) the Trustee-Manager has engaged the services of and obtained advice from professional advisers and consultants from time to time, and in particular when dealing with acquisitions and capital raising, to ensure compliance with the requirements of the BTA, BTR and the Listing Manual.

Appendix
Board Committees – Terms of Reference

A. Audit and Risk Committee

(1) Review and report to the Board at least annually the adequacy and effectiveness of the Trustee-Manager's and KIT's risk management and internal control system, including financial, operational, compliance and information technology controls, and risk management systems (such review can be carried out internally or with the assistance of any competent third parties);

(2) Perform a review of KIT's financial statements and announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for assurance of the integrity of such statements and announcements;

(3) Review audit plans and reports of the external auditor and internal auditor, and consider the effectiveness of actions or policies taken by Management on the recommendations and observations annually;

(4) Monitor the procedures established to regulate interested person transactions, including reviewing any interested person transactions entered into from time to time and ensuring compliance with applicable legislation and the relevant provisions of the SGX Listing Manual (this review will exclude conflicts of interest, which are dealt with by the Board ESG Committee);

(5) Monitor the implementation of the foreign exchange hedging policy approved by the Board as well as review and recommend to the Board all other hedging policies and instruments before implementation by KIT;

(6) Review the independence and objectivity of the external auditor and internal auditor annually and as part of the review of independence, to review the nature and extent of non-audit services performed by the external auditor;

(7) Meet with external auditor and internal auditor, without the presence of Management, at least annually;

(8) Review the adequacy and effectiveness of the Trustee-Manager's internal audit function, at least annually and report the Audit and Risk Committee's assessment to the Board;

(9) Review and ensure at least annually that the internal audit function is adequately resourced and has appropriate standing within the Trustee-Manager;

(10) Approve the hiring, removal, evaluation and compensation of the accounting / auditing firm or corporation to which the internal audit function is outsourced;

(11) Recommend to the Board on the proposal to the Unitholders on the appointment, re-appointment and removal of the external auditor;

(12) Approve the remuneration of the external auditor;

(13) Review the audit quality indicators in relation to the external auditor;

(14) Investigate any matters within the Audit and Risk Committee's terms of reference, whenever it deems necessary;

(15) Obtain, at the Trustee-Manager's or KIT's expense, external professional advice on any matter within its terms of reference;

(16) Provide timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations;

(17) Obtain recommendations on risk tolerance and strategy from Management, and where appropriate, report and recommend to the Board for its determination:

i. the nature and extent of significant risks which the Trustee-Manager and KIT may take in achieving its strategic objectives; and
ii. the overall level of risk tolerance, risk parameters and risk policies;

(18) Review and discuss with Management on the Trustee-Manager's and KIT's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, mitigation and monitoring processes and procedures;

(19) Review the Information Technology (IT) governance and cybersecurity framework to ascertain alignment with business strategy and the Trustee-Manager's and KIT's risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery;

(20) Receive and review quarterly reports from Management on the Trustee-Manager's and KIT's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks;

(21) Review the Trustee-Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types;

(22) Review and monitor Management's responsiveness to the critical risk and compliance issues and material matters identified and recommendations of the Audit and Risk Committee;

(23) Review the assurance from the CEO and CFO on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Trustee-Manager's internal controls and risk management system;

(24) Receive and review updates from Management to assess the adequacy and effectiveness of the Trustee-Manager's compliance framework in line with relevant laws, regulations and best practices;

(25) Through interactions with the Compliance Lead, review and oversee performance of the Trustee-Manager's implementation of compliance programmes;

(26) Review and monitor the Trustee-Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable;

(27) Review the adequacy, effectiveness and independence of the Trustee-Manager's Risk and Compliance function, at least annually, and report the Audit and Risk Committee's assessment to the Board;

(28) Review the policy and arrangements (such as whistle-blower policy) and the Trustee-Manager's procedures for detecting and preventing fraud, and other arrangements by which staff of the company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(29) Report significant matters raised through the whistle-blowing channel to the Board;

(30) Review and report to the Board annually on the adequacy and effectiveness of the Trustee-Manager's and KIT's risk management and internal controls systems, including financial, operational, compliance and information technology controls so that the Board may form an opinion on the adequacy of the risk management system and internal controls;

(31) Review the Board's opinion on the adequacy and effectiveness of the Trustee-Manager's risk management systems and internal controls and state whether it concurs with the Board's opinion;

(32) Where there are material weaknesses identified in the Trustee-Manager's risk management systems and internal controls, to consider and recommend the necessary steps to be taken to address them;

(33) Ensure that the Compliance Lead have direct and unrestricted access to the Chairman of the Audit and Risk Committee;

(34) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the Audit and Risk Committee may deem fit;

(35) Review the Audit and Risk Committee's terms of reference and constitution annually and recommend any proposed changes to the Board to ensure that it is operating effectively and remain consistent with the Board's objectives and responsibilities;

(36) Carry out all other functions of the Audit and Risk Committee in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations; and

(37) Perform such other functions as the Board may determine.

B. Nominating and Remuneration Committee

(1) Recommend to the Board the appointment and re-appointment of Directors on Trustee-Manager's Board and KIT's subsidiaries (including alternate directors, if any);

(2) Re-nomination for re-election of the Directors on the Trustee-Manager's Board and KIT's subsidiaries in accordance with the Trustee-Manager's Constitution, having regard to the Director's contribution and performance;

(3) Review annually the structure size and composition of the Board and Board committees of the Trustee-Manager and conduct an annual review of balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age;

(4) Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative, objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives;

(5) Determine annually whether or not a Director of the Trustee-Manager is independent in the manner provided in the Singapore Business Trust Regulations.

(6) Ensure that the Board of the Trustee-Manager comprises:
  (a) at least a majority of the Directors who shall be independent from management and business relationships with the Trustee-Manager and in any case at least two non-executive Directors who are independent and free of any material business or financial connection with the Trustee-Manager;
  (b) at least one-third of the Directors who shall be independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager; and
  (c) at least a majority of the Directors who shall be independent from any single substantial shareholder of the Trustee-Manager;

(7) Assess, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Trustee-Manager;

(8) Recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and each Director;

(9) Annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and individual directors;

(10) Review the succession plans for the Board (in particular, the Chairman) and key management personnel;

(11) Review talent development plans;

(12) Review the training and professional development programs for Board members. The NRC has noted that all Directors must undergo training on sustainability matters as prescribed by the SGX, and that if the NRC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed;

(13) Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as for the key management personnel; including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Trustee-Manager's long-term strategy and performance;

(14) Consider all aspects of remuneration to ensure that they are fair, and review the Trustee-Manager's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous;

(15) Consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme);

(16) Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Trustee-Manager, taking into account the strategic objectives of the Trustee-Manager;

(17) Review the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors to ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the Trustee-Manager for the long term;

(18) Set performance measures and determine targets for any performance-related pay schemes;

(19) Administer the Trustee-Manager's long-term incentive schemes in accordance with the rules of such schemes;

(20) Report to the Board on material matters and recommendations;

(21) Review the Nominating and Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board for approval;

(22) Perform such other functions as the Board may determine; and

(23) Sub-delegate any of its powers within its terms of reference as listed above, from time to time as the Nominating and Remuneration Committee may deem fit.

Save that a member of the Nominating and Remuneration Committee shall not be involved in the deliberations in respect of any matter in which he or she has a personal interest in. Where a member of the Nominating and Remuneration Committee is asked to consider remuneration or a form of benefits that applies generally to the Board or committee members as a whole rather than specific to that member, then the member shall be deemed not to have a personal interest in the matter.

C. Investment Committee

(1) Review and monitor the investment policy and procedures established to regulate projects of the Trustee-Manager and KIT;

(2) Review and approve or disapprove the investment projects (including any proposed investments, acquisitions and/or disposals) of the Trustee-Manager and KIT Group submitted in accordance with the KIT's investment policy and investment mandate, taking into consideration factors including size, sector, geography and returns. In evaluating investment projects, reference will also be made to the prevailing Keppel Group's investment and major projects actions committee policy and procedure as applicable to the Trustee-Manager;

(3) Review and approve or disapprove the capital market activities (including any equity fund raisings, establishment or update (including an upsize) of debt programmes (including the multicurrency debt issuance programme), drawdown of debt programmes (including the issuance of any debt securities under the multicurrency debt issuance programme and/or hedging strategies, hedging activities or entry into hedging instruments) to be undertaken by the Trustee-Manager and/or KIT Group (KIT Capital Market Activities), save that KIT Capital Market Activities that require prior approval from Unitholders shall also, if approved by the Investment Committee, require the Board's approval;

(4) Approve or disapprove external legal or other professional advice for the purposes of evaluating investment projects if it considers this necessary;

(5) Approve or disapprove all non-binding bids and/or entry into non-binding agreements (including memorandum of understanding) with respect to the investment projects of KIT; and

(6) Approve or disapprove the submission of binding bids and/or entry into binding agreements (Binding Agreements) with respect to the investment projects of KIT's subsidiaries only (such Binding Agreements, the "Portfolio Binding Agreements"), save that the Portfolio Binding Agreements that will require prior approval from Unitholders shall also, if approved by the Investment Committee, require the Board's approval.

D. Board ESG Committee

ESG

(1) Recommending to the KIT Board policies, strategies, workplans and targets pertaining to sustainability and ESG matters (collectively, ESG Framework) and reviewing and monitoring the effectiveness of the ESG Framework benchmarked against global and local ESG trends and best practices. KIT's sustainability and ESG standards, which would form an integral part of KIT's strategies and core competencies, will drive long-term value creation;

(2) Promoting new initiatives to develop a strong culture and strengthen awareness of sustainability and ESG matters among KIT's businesses and assets;

(3) Monitoring the implementation and integration of the ESG Framework;

(4) Monitoring the adequacy of resources allocated to achieving compliance as well as strategies, workplans and targets pertaining to the ESG Framework; and

(5) Reporting to the Board on sustainability and ESG performance, incidents, rectifications, risk management and other material matters.

Health, Safety, Security and Environment (HSSE)

(6) Reviewing the nature and scale of hazards and risks associated with the businesses and operations of the various operating assets;

(7) Ensuring the operating assets have the resources, systems and processes to eliminate, minimise or manage HSSE risks, including personal safety, process safety, major hazard risks, and plant physical security;

(8) Ensuring that the Keppel HSSE requirements such as policies, procedures, strategies and standards are communicated, implemented and reviewed;

(9) Monitoring HSSE performance of the operating assets, analyse trends and incident root causes, and recommending or proposing initiatives for improvement where appropriate to ensure robust HSSE management systems are well maintained;

(10) Reviewing all reportable and high-potential near miss incidents to understand underlying root causes and recommending initiatives or remedial measures where appropriate;

(11) Monitoring the compliance with local HSSE legislation in the country in which it operates as a minimum and review any emerging or new legislations that may potentially impact the operating assets;

(12) Keeping abreast of global HSSE developments, and implementing best practices at KIT's businesses or operations, where relevant and feasible;

(13) Reviewing the significant changes to KIT's HSSE risk profile as a result of any changes to existing businesses and assets, or the addition of new businesses, new markets, new products, etc. as well as taking the necessary steps to monitor, control and mitigate such risks;

(14) Reporting to the KIT Board on HSSE performance, material matters, incident investigation findings and recommendations;

(15) Carrying out such investigations into HSSE-related matters as the Committee deems fit;

(16) Ensuring on the effectiveness of the HSSE management systems and how the risks are being managed / mitigated on the ground;

(17) Introducing actions to enhance safety awareness and culture within KIT; and

(18) Performing such other functions as the Committee may determine.

Conflicts

(19) Reviewing conflicts or potential conflicts of interest that may arise from time to time in the course of KIT's business or operations between (i) KIT and (ii) any Director or officer of the Trustee-Manager, any controlling Unitholder (as defined in the Listing Manual), or any controlling shareholder of the Trustee-Manager (as defined in the Listing Manual);

(20) Considering declarations made by a Director and/or officer of the Trustee-Manager when they declare a potential conflict of interest, identifying conflict or potential conflict of interest issues and then assessing and evaluating its nature and extent;

(21) Developing and implementing one or more appropriate measures with the aim of controlling, avoiding or mitigating such conflict or potential conflict (including, where material, disclosure of such measures to Unitholders at the appropriate time);

(22) Monitoring the implementation by the Trustee-Manager of the measures imposed by the Committee in order to resolve or mitigate conflict or potential conflict of interest;

(23) Periodically reviewing the framework to resolve conflict or potential conflict of interest and ascertain how it has worked out in practice and, where appropriate, to consider and implement further measures to fine-tune the framework so as to make it better suited to the potential conflict issues that the Trustee-Manager may face, including procedures to ensure that no controlling Unitholder or controlling shareholder of the Trustee-Manager would be able to influence the evaluation of potential acquisitions or disposals in a manner contrary to the interests of Unitholders as a whole; and

(24) Where appropriate, appointing an independent adviser to advise on and recommending procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the Committee to discharge its duties to the Unitholders.

Save that the terms of reference of the Committee would exclude review of interested person transactions which fall within the purview of the Audit and Risk Committee.

Additional Guidelines to the framework

(25) A conflict of interest situation that arises should be brought to the attention of the Committee immediately, which will consider the situation against the guidelines and if the Committee is of the view that the compliance with the guidelines are not adequate to control, avoid or mitigate the conflict of interest, a Committee meeting will be convened to discuss the conflict;

(26) A distinction is to be made between the processes of participation in deliberation and the voting in the transaction as a Director on the Board. An interested Director will be required to abstain from voting on the transaction where there exists a conflict of interest but it should not prohibit the interested Director from participating in the deliberations of the relevant transaction;

(27) However, if an interested Director is also a direct counterparty (for example, if the Director is an officer or sits on the board of directors of the counterparty), such a Director will be required to not only abstain from voting, but also abstain from deliberation of the transaction. The Board may nonetheless invite such an interested Director, on a case by case basis, particularly where he or she has the relevant expertise in the subject matter of the transaction, to attend Board meetings and discussions to assist the Board in its deliberation of the transaction, and in such event, the Board should excuse the interested Director who is also a counterparty from deliberations which involves sensitive information of the transaction; and

(28) It is acknowledged that a Director has a right to information but the decision whether to disclose such sensitive information (for instance, where the transaction is that of a competitive bid between interested persons) must be made in the best interests of KIT and this is to be decided on a case-by-case basis. Management should consult the Committee in this respect.

Board Assessment

Evaluation Processes

Each Board member is required to complete questionnaires relating to the Board's and individual Board member's performance and send these questionnaires direct to the Independent Coordinator. Based on the returns of each Director, the Independent Coordinator prepares a consolidated report to brief the chairman of the NRC and the Board Chairman on the report. The Independent Coordinator will thereafter present the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively.

Performance Criteria
The performance criteria adopted for the evaluation process have been consistently applied from year to year, and updated from time to time to account for amendments to the SGX Listing Rules and Code of Corporate Governance.

The performance criteria for the Board evaluation are in respect of board size and composition, board independence, board processes, composition and effectiveness of board committees, board information and accountability, board performance in relation to discharging its principal functions, and performance of board and board committees in relation to discharging their responsibilities. Based on the responses received, the Board continues to perform and fulfill its duties and responsibilities duly in accordance with the established Board processes.

The individual Director's performance criteria are categorised into five segments; namely, (1) interactive skills (under which factors as to whether a Director works well with other Directors, and participates actively, are taken into account); (2) knowledge (under which factors as to the Director's industry and business knowledge, his or her ability to analyse, and contribute to the productivity of meetings are taken into consideration); (3) Director's duties (under which factors as to the Director's Board committee work contribution (where relevant), whether the Director takes his or her role of director seriously, and meeting preparation are taken into consideration); (4) availability (under which the Director's attendance at Board and Board committee meetings, whether he or she is available when needed etc are considered); and (5) overall contribution, bearing in mind that each Director was appointed for his or her strength in certain areas which, taken together with the skill sets of the other Directors, provides the Board with the required mix of skills and competencies.

Whistle-Blower Policy
The Whistle-Blower Policy was established and has been put in place to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes and reporting channels through which such reports may be made with confidence that employees of the Trustee-Manager and other persons making such reports will be treated fairly and, to the extent possible, their identities and participation in the investigations will be protected.

Reportable Conduct refers to any act or omission by an employee of the Trustee-Manager or KIT or contract worker appointed by the Trustee-Manager, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith is:

a. dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Trustee-Manager;
b. fraudulent;
c. corrupt;
d. illegal;
e. other serious improper conduct;
f. an unsafe work practice; or
g. any other conduct which may cause financial or non-financial loss to the Trustee-Manager or KIT or damage to the Trustee-Manager's or KIT's reputation.

A person who files a report or provides evidence which he or she knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Whistle-Blower Policy and may be subject to administrative and/or disciplinary action including termination of employment or other contract, as the case may be.

Similarly, a person may be subject to administrative and/or disciplinary measures, including but not limited to termination of employment or contract if he or she subjects (i) a person who has made or intends to make a Protected Report in accordance with the Whistle-Blower Policy, or (ii) a person who was called or who may be called as a witness, to any form of reprisal which would not have occurred if he or she did not intend to, or had not made the report or be a witness.

The Head of Internal Audit is the Receiving Officer for the purposes of the Whistle-Blower Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Whistle-Blower Policy. The Head of Internal Audit reports directly to the ARC Chairman (who is an independent director) on all matters arising under the Whistle-Blower Policy.

Reporting Mechanism
The Whistle-Blower's role is as a reporting party. Whistle-Blowers are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial actions that may be warranted.

Employees of the Trustee-Manager are encouraged to make a Protected Report in relation to a suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the ARC Chairman, of any such report. The supervisor shall not upon receiving or becoming aware of any Protected Report, take any independent action or start any investigation in connection with the Protected Report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), he or she may make the report directly to the ARC Chairman via the established reporting channel.

Other Whistle-Blowers (other than employees) may make a Protected Report in relation to a suspected Reportable Conduct to either the Receiving Officer or the ARC Chairman via the established reporting channels.

All reports and related communications will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

Investigation

Every Protected Report received (whether oral or written, and anonymous or otherwise) will be assessed by the Receiving Officer, who will review the information disclosed, interview the Whistle-Blower(s) when required and if contactable and, either exercising his or her own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the ARC Chairman as to whether the circumstances warrant an investigation. If the ARC Chairman or, if the ARC Chairman consults the ARC, the ARC, determines that an investigation should be carried out, the ARC Chairman or, as the case may be, the ARC, shall determine the appropriate investigative process to be employed. The ARC Chairman and the Investigation Advisory Committee will use their respective best endeavours to ensure that there is no conflict of interests on the part of any party involved in any way in the investigations. The Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation in relation to the Protected Report and any other matters arising therefrom or in connection therewith. The ARC Chairman will also require the matter to be reported to the authorities if a crime is involved, and/or to the relevant insurance company in accordance with the terms of the applicable insurance policies.

All employees of the Trustee-Manager have a duty to cooperate with investigations initiated under the Whistle-Blower Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the ARC Chairman (whether in the exercise of his or her own discretion or in consultation with the ARC), that such a leave would be in the best interests of the employee, the Trustee-Manager or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All persons who are interviewed, asked to provide information or otherwise participate in an investigation must refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss with the Investigation Subject(s) the nature of the evidence requested or provided or testimony given to the investigators unless agreed by the investigators.

Confidentiality of the identities of Whistle-Blowers, Investigation Subject(s) and persons who participate or who intend to participate in investigations initiated under this policy will, to the extent possible, be maintained.

Protection from Reprisal

No person shall be subject to any reprisal for having made a Protected Report in accordance with the Whistle-Blower Policy. The protection from Reprisal also extends to persons who may have been called as witnesses or otherwise participated in the investigation arising from a Protected Report. A reprisal means personal disadvantage by:

a. dismissal;
b. demotion;
c. suspension;
d. termination of employment/ contract;
e. any form of harassment or threatened harassment;
f. discrimination; or
g. current or future bias.

A Whistle-Blower or any person who participated or intends to participate in an investigation arising from a Protected Report, who believes that he or she is subject to Reprisal and that the Protected Report is a contributing factor to the Reprisal may complain to the Receiving Officer (who shall refer the matter to the ARC Chairman) or the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Any protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation contained in the Protected Report. However, the ARC Chairman will take into account the fact that he or she has cooperated as a Whistle-Blower or a witness in determining whether, and to what extent, the disciplinary measure to be taken against him or her.

Rule 720(6) of the Listing Manual of the SGX

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Trustee-Manager is seeking endorsement by Unitholders at the AGM to be held in 2022 is set out below.

Name of Director	Mr Adrian Chan Pengee	Mr Daniel Cuthbert Ee Hock Huat
Date of Appointment	1 October 2022	18 May 2015
Date of last re-appointment (if applicable)	N.A	N.A
Age	58	70
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out at page 171 of this Annual Report.	
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Member of Board ESG Committee	Chairman of Board, Chairman of Nominating and Remuneration Committee, Member of Audit & Risk Committee and Member of Investment Committee
Professional qualifications	LLB (Hons), National University of Singapore	Bachelor of Science (Systems Engineering) (First Class Honours), University of Bath, UK; Master of Science (Industrial Engineering), National University of Singapore
Working experience and occupation(s) during the past 10 years	1989 till present: Senior Partner and Head of Corporate Department, Lee & Lee	From January 2001 - November 2013: Director of Surface Mount Technology (Holdings) Limited From June 2005 - June 2015: Director of Citibank Singapore Limited From July 2010 - May 2015: Chairman of CitySpring Infrastructure Management Pte. Ltd. (as trustee-manager of CitySpring Infrastructure Trust) From April 2010 - May 2015: Independent Director of CitySpring Infrastructure Management Pte. Ltd. (as trustee-manager of CitySpring Infrastructure Trust)
Shareholding interest in the listed issuer and its subsidiaries	3,000 units (deemed) in Keppel Corporation Limited	262,792 units in Keppel Infrastructure Trust 20,000 units in Keppel Corporation Limited
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	AEM Holdings Ltd.; Global Investments Limited; Yoma Strategic Holdings Ltd; CapitaLand Ascendas REIT Management Limited	Nil
Other Principal Commitments including Directorships - Present	Lee & Lee Shared Services For Charities Limited Hong Fok Corporation Limited; Best World International Limited; First REIT Management Limited; Food Empire Holdings Limited; Singapore Institute of Directors; Azalea Asset Management Pte. Ltd.; Association of Small & Medium Enterprises; The Law Society of Singapore	Olive Tree Estates Limited; Capitaland Ascendas REIT Management Limited (the Manager of Capitaland Ascendas REIT); Singapore Mediation Centre
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

Name of Director	Mr Adrian Chan Pengee	Mr Daniel Cuthbert Ee Hock Huat
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes[3]	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

[3] Mr Chan was a nominee director of International Stream Investments Pte. Ltd, Al Mirage Property Holding Pte. Ltd. and Al Mirage Leisure Holding Pte. Ltd. which were Singapore companies that were dissolved pursuant to voluntary winding up proceedings commenced by him in 2013.

Name of Director	Mr Adrian Chan Pengee	Mr Daniel Cuthbert Ee Hock Huat
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes[4]	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Mr Chan has been a director of various SGX-listed companies since 2002.	CitySpring Infrastructure Management Pte Ltd (the Trustee-Manager of CitySpring Infrastructure Trust) Capitaland Ascendas REIT Management Limited (the Manager of Capitaland Ascendas REIT);
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A	N.A

[4] Mr Chan was a non-executive independent director of AEM Holdings Limited, a listed company in Singapore, which announced in May 2007 that seven of its employees (including the then Chief Executive Officer) were under investigation by the CPIB and he had assisted the CPIB in their investigations. The then Chief Executive Officer was eventually charged and convicted for corruption in 2012.

Summary of Disclosures of 2018 CG Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 CG Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 CG Code.

Principles	Page Reference in this Report
Board Matters	
The Board's Conduct of Affairs	
Principle 1	
Provision 1.1	Pages 167, 185 to 186 and 192 to 193
Provision 1.2	Page 169
Provision 1.3	Page 167
Provision 1.4	Pages 170 to 186 and 189 to 193
Provision 1.5	Pages 168 and 174
Provision 1.6	Pages 169 to 170
Provision 1.7	Pages 169 to 170
Board Composition and Guidance	
Principle 2	
Provision 2.1	Pages 172 to 174
Provision 2.2	Pages 168 to 174
Provision 2.3	Pages 168 to 174
Provision 2.4	Pages 171 to 172
Provision 2.5	Pages 168 to 169
Chairman and Chief Executive Officer	
Principle 3	
Provision 3.1	Page 170
Provision 3.2	Page 170
Provision 3.3	Page 174
Board Membership	
Principle 4	
Provision 4.1	Pages 168 to 169 and 170 to 172
Provision 4.2	Page 170
Provision 4.3	Page 171
Provision 4.4	Pages 172 to 174
Provision 4.5	Pages 14 to 15 and 174
Board Performance	
Principle 5	
Provision 5.1	Pages 175 and 193 to 194
Provision 5.2	Pages 175 and 193 to 194
Remuneration Matters	
Procedures for Developing Remuneration Policies	
Principle 6	
Provision 6.1	Pages 175 to 179
Provision 6.2	Page 168
Provision 6.3	Pages 175 to 179
Provision 6.4	Page 175
Level and Mix of Remuneration	
Principle 7	
Provision 7.1	Pages 175 to 179
Provision 7.2	Pages 175 to 179
Provision 7.3	Pages 175 to 179

Corporate Governance

Principles	Page Reference in this Report
Disclosure on Remuneration **Principle 8**	
Provision 8.1	Pages 175 to 179
Provision 8.2	Page 179
Provision 8.3	Pages 175 to 179
Accountability and Audit	
Risk Management and Internal Controls **Principle 9**	
Provision 9.1	Pages 179 to 180
Provision 9.2	Pages 179 to 181
Audit Committee **Principle 10**	
Provision 10.1	Pages 179 to 181, 189 to 190 and 194 to 195
Provision 10.2	Page 179
Provision 10.3	Page 179
Provision 10.4	Pages 179 to 183
Provision 10.5	Page 179
Shareholder Rights and Engagement	
Shareholder Rights and Conduct of General Meetings **Principle 11**	
Provision 11.1	Pages 183 to 184
Provision 11.2	Pages 183 to 184
Provision 11.3	Pages 183 to 184
Provision 11.4	Pages 183 to 184
Provision 11.5	Pages 183 to 184
Provision 11.6	Pages 183 to 184
Engagement with Shareholders **Principle 12**	
Provision 12.1	Pages 183 to 184
Provision 12.2	Pages 183 to 184
Provision 12.3	Pages 183 to 184
Managing Stakeholders Relationship	
Engagement with Stakeholders **Principle 13**	
Provision 13.1	Pages 183 to 184
Provision 13.2	Pages 183 to 184
Provision 13.3	Pages 183 to 184

Risk Management

Strengthening Enterprise Risk Management

Keppel Infrastructure Trust's (KIT) Enterprise Risk Management (ERM) framework, which is a component of KIT's System of Management Controls, provides a holistic and structured approach towards assessing, monitoring and mitigating risks. The Board has in place three Risk Tolerance Guiding Principles for the Trustee-Manager and KIT. The Risk Tolerance Guiding Principles serve to determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The three Risk Tolerance Guiding Principles are:

1. Risks taken should be carefully evaluated, commensurate with rewards and in line with the Trustee-Manager's and KIT's core strengths and strategic objectives.
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the Trustee-Manager and KIT.
3. The Trustee-Manager does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

Robust ERM Framework

The Trustee-Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation as well as monitoring and review. A robust ERM framework enables the Trustee-Manager and KIT to manage risks systematically and remain nimble in capitalising on opportunities.

The risk assessment takes into account both the impact of the risk event and likelihood of occurrence, and covers the investment, financial, operational and reputational aspects of KIT's business. Tools deployed include risk rating matrices, key risk indicators and risk registers to assist the Trustee-Manager in its risk management process.

The Board, supported by the ARC, is responsible for the governance of risks and ensures that the Trustee-Manager maintains a sound system of risk management and internal controls to safeguard Unitholders' interests and KIT's assets. The Board and ARC provide valuable advice to the Trustee-Manager in formulating various risk policies and guidelines. For FY 2022, the Board, with the concurrence of ARC, is of the opinion that KIT's risk management system is adequate and effective in addressing the key risks identified.

The Trustee-Manager's risk governance process is set out in pages 181 to 182 under Principle 9 (Risk Management and Internal Controls).

The risk management assessment framework also determines the adequacy and effectiveness of the risk management system within KIT. In 2022, the Board has assessed and deemed KIT's risk management system to be adequate and effective in addressing the key risks identified below:

Investment Risk

Distribution growth is dependent on KIT's ability to grow its asset base. The timing of new acquisitions is dependent on market opportunities and funding environment. The Trustee-Manager evaluates all investment opportunities according to KIT's stated investment criteria and investment mandate. Investment evaluation includes analysing the asset quality, expected returns, sustainability of asset performance, impact to environment and security of the cash flows.

The Trustee-Manager aims to manage and mitigate risks by diversifying the asset classes and geographic regions in which KIT will invest. KIT has a global investment mandate so as to mitigate country concentration risks.

KIT's current portfolio includes assets with contracted cash flows based on availability that are not sensitive to fluctuations in utilisation. This provides stable and predictable cashflows to support KIT's distributions to Unitholders. The Trustee-Manager intends to pursue further acquisitions that provide regular and/or predictable cash flows, and/or backed by long-term contracts with creditworthy and reputable off-takers.

KIT endeavours to emphasise on investments that play positive roles towards sustainable urbanisation.

Interest Rate Risk

KIT's exposure to interest rate risk is minimal, as the majority of its floating rate borrowings have been hedged. In the event KIT is exposed to interest rate risk on the loans drawn under the working capital facility or additional loans that it may undertake, the risk is managed by maintaining an appropriate level of borrowings, balancing between a mix of fixed and floating rate borrowings. The Trustee-Manager will also monitor the interest rate exposure of KIT and will consider restructuring KIT's credit facilities or utilise derivative financial instruments to hedge interest rate risks should the need arise.

Foreign Exchange Risk

KIT constantly monitors its exposure to foreign exchange risk. Currency exposure to the net assets in Australia, Europe, the Philippines, the Kingdom of Saudi Arabia and South Korea is managed predominantly by having a significant amount of borrowings denominated in the functional currency.

KIT pays distributions to its unitholders in Singapore dollars whilst its investments' distribution to KIT is in Australian dollars, Euros, Korean won and US dollars.

To manage the currency exposure, KIT utilises appropriate financial instruments to forward-hedge distribution income from its investments in compliance with its foreign exchange risk management policy.

Credit Risk

In 2022, credit risk has been under continuous monitoring due to the risk of supply chain delays faced during the COVID-19 pandemic. The Trustee-Manager actively monitors this to ensure adequate measures are in place, and prudently manage the trade working capital to mitigate the risk.

The bulk of KIT's customers for the environmental plants consists mainly of Singapore government agencies, foreign government municipalities and large industrial conglomerates. Our customers in the energy sector includes a large multinational energy company, a related Keppel entity, and also an overseas electric grid market. All these counterparties are of good credit standing.

Furthermore, KIT's overall credit risk is mitigated with City Energy's and Ixom's diversified customer base and Philippine Coastal's blue-chip customers. The Trustee-Manager also monitors the credit risk by ensuring timely payments according to the contracted terms.

Risk Management

Liquidity and Refinancing Risk
The Trustee-Manager monitors and maintains adequate cash and cash equivalents and credit facilities to finance KIT's operations and mitigate the effects of cash flow fluctuations. The Trustee-Manager manages liquidity and refinancing risk by maintaining adequate reserves, monitoring cash flows and matching the maturity profiles of financial assets and liabilities. The Trustee-Manager also manages its refinancing risk by spreading out the maturity date of its long-term debt and bank loans, to avoid refinancing a significant part of its debt within a single year.

Operational Risk
KIT's assets are built to operate within certain design specifications. Deviations from the specifications may affect the performance of the assets or the production processes. Each asset is also subject to wear and tear and there may be periodic downtime for repairs and maintenance. If downtime exceeds the contractual allowance, affecting availability or production, cashflows may be affected.

Each asset has a set of standard operating procedures including the implementation of various quality management systems such as ISO9001, ISO14001 and Hazard Analysis Critical Control Point (HACCP) that covers the daily operations and regular maintenance of the assets to ensure that the assets are performing at optimal efficiency. The Trustee-Manager monitors, reviews and manages, with the Operations & Maintenance (O&M) contractor or appointed contract professionals, the operational risks of these assets regularly.

The Trustee-Manager, together with the O&M contractor or appointed contract professionals, continue to review and assess threats that could disrupt operations. The Trustee-Manager reviews the insurance plans and evaluates any further need to insure against additional risks where commercial coverage plans are available. Business continuity plans are tested, reviewed and refined regularly to ensure the assets are ready to respond to these threats. In 2022, various drills were conducted to address threats such as chemical spillage, fire, IT disaster recovery, cybersecurity, terrorist attack, flu pandemic and power outage.

In view of the COVID-19 pandemic in 2022, supply chain risks and higher energy costs are continuously being monitored. The Trustee-Manager has secured energy supply contracts as well as increased the working capital and inventory levels to ensure that the supply to customers will not be impacted. Further, KIT implemented business continuity plans across its operations and continued to operate during the year with no major operational disruptions.

The Trustee-Manager will continue to enhance the robustness of KIT's assets' business continuity plans to ensure operational resilience.

Health, Safety & Environment (HSE) Risk
HSE is one of the core values for KIT and the O&M contractors. The Trustee-Manager does not condone safety breaches or lapses. The Trustee-Manager, together with the O&M contractors, embraces a strong safety culture within the work environment and constantly strives to create safety awareness and share best practices. Emphasis is placed on sharing of safety incidents and lessons learnt, and HSE training to foster safety awareness and skills.

The O&M contractors have developed strong HSE policies and practices, including the implementation of various occupational health and safety management systems compliant with ISO45001 to ensure safe working practices and environments are integrated into all operations of KIT's assets.

Compliance Risk
KIT's and the Trustee-Manager's operations are subject to various government regulations and licensing regimes. KIT and the Trustee-Manager undergo regular internal and external audits to ensure that they adhere to relevant policies and processes. Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of KIT's business operations.

The Trustee-Manager also monitors changes in legislations and regulations, as well as new developments in its operating environment, in particular, those relating to environmental protection, cybersecurity and workplace safety and health, such as air emission levels, hazardous substances, fire safety and employment legislation, which have the potential to impact the operations and profitability of the Trust. The Trustee-Manager maintains close working relationships with the O&M contractors and authorities to keep abreast of developments in regulatory frameworks and the business environment. The Trustee-Manager also attends regular operation meetings and trainings to ensure that assets are meeting contractual requirements and in compliance with applicable laws and regulations.

Emerging Risks
Evolving or emerging risks are closely monitored by KIT and the Trustee-Manager, and where such risks have been identified, they are assessed accordingly and actions are taken to mitigate the risk as necessary.

Inflationary risks and compliance risks in relation to climate change and sustainability related matters are emerging areas of risks. KIT's portfolio is well-insulated against inflation, as many of its investments have cost pass-through mechanism and/or adopts an availability-based revenue model.

In implementing the Trustee-Manager's Environmental, Social and Governance (ESG) roadmap and achieving its ESG targets, physical risk and transitional risk assessments have been performed relating to key KIT assets, with mitigating measures put in place. Please refer to page 54 of the Sustainability Report for more information.

Statistics of Unitholdings

As at February 24, 2023

Issued and Fully Paid Units

4,991,789,782 Units (Voting rights: 1 vote per Unit)
There is only one class of units in Keppel Infrastructure Trust
Market capitalisation of $2,695,566,482 based on market closing price of $0.54 per Unit on February 24, 2023.

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	913	2.11	34,152	0.00
100 - 1,000	7,870	18.21	5,189,778	0.10
1,001 - 10,000	16,294	37.69	74,091,103	1.49
10,001 - 1,000,000	17,962	41.55	1,263,369,838	25.31
1,000,001 and above	188	0.44	3,649,104,911	73.10
Total	**43,227**	**100.00**	**4,991,789,782**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1.	Keppel Infrastructure Holdings Pte Ltd	909,048,658	18.21
2.	DBS Nominees (Private) Limited	471,999,598	9.46
3.	Citibank Nominees Singapore Pte Ltd	449,417,868	9.00
4.	Bartley Investments Pte. Ltd.	428,333,293	8.58
5.	Raffles Nominees (Pte.) Limited	155,839,063	3.12
6.	Nassim Investments Pte Ltd	149,167,246	2.99
7.	HSBC (Singapore) Nominees Pte Ltd	139,323,870	2.79
8.	DBSN Services Pte. Ltd.	132,825,054	2.66
9.	Napier Investments Pte. Ltd.	106,653,329	2.14
10.	BPSS Nominees Singapore (Pte.) Ltd.	86,197,939	1.73
11.	United Overseas Bank Nominees (Private) Limited	41,256,775	0.83
12.	Phillip Securities Pte Ltd	28,272,254	0.57
13.	KGI Securities (Singapore) Pte Ltd	27,234,662	0.55
14.	OCBC Nominees Singapore Private Limited	26,054,549	0.52
15.	IFAST Financial Pte. Ltd.	24,249,952	0.49
16.	UOB Kay Hian Private Limited	21,404,941	0.43
17.	OCBC Securities Private Limited	13,695,746	0.27
18.	Teh Lip Bin	12,042,624	0.24
19.	BNP Paribas Nominees Singapore Pte. Ltd.	11,036,027	0.22
20.	Merrill Lynch (Singapore) Pte. Ltd.	10,950,712	0.22
Total		**3,245,004,160**	**65.02**

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager as at February 24, 2023, the Substantial Unitholders of Keppel Infrastructure Trust and their interests in the Units of Keppel Infrastructure Trust are as follows:

	Direct Interest		Deemed interest	
Name	No. of Units	%	No. of Units	%
Keppel Infrastructure Holdings Pte. Ltd.	909,048,658	18.21	-	-
Keppel Corporation Limited[1]	-	-	909,048,658	18.21
Bartley Investments Pte. Ltd.	428,333,293	8.58	-	-
Tembusu Capital Pte. Ltd.[2]	-	-	684,153,868	13.70
Temasek Holdings (Private) Limited[3]	-	-	1,593,772,526	31.92

Notes:
1 Keppel Corporation Limited is deemed to have an interest in the Units which its wholly-owned subsidiary, Keppel Infrastructure Holdings Pte. Ltd., has interest.
2 Tembusu Capital Pte. Ltd. ("Tembusu") is deemed to have an interest in the Units in which Bartley Investments Pte. Ltd. ("Bartley") and its other subsidiaries have interests.
3 Temasek Holdings (Private) Limited ("Temasek") is deemed to have an interest in the Units in which Tembusu, Bartley, Keppel Corporation Limited ("KCL") and other subsidiaries and/or associated companies of Temasek hold or have deemed interests.

Public Unitholders

Based on the information available to the Trustee-Manager as at February 24, 2023, approximately 68.04% of the issued Units in Keppel Infrastructure Trust are held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in Keppel Infrastructure Trust are at all times held by the public.

As at February 24, 2023, there are no treasury units held.

Financial Calendar

FY 2022	
Financial year-end	31 December 2022
Announcement of 1Q 2022 Key Business and Operational Updates	18 April 2022
Announcement of 1H 2022 Results	27 July 2022
Announcement of 3Q 2022 Key Business and Operational Updates	20 October 2022
Announcement of 2H and FY 2022 Results	30 January 2023
Distribution payout to Unitholders for the period 1 January 2022 to 30 June 2022	
- Books closure date	4 August 2022
- Payment date	12 August 2022
Distribution payout to Unitholders for the period 1 July 2022 to 31 December 2022	
- Books closure date	7 February 2023
- Payment date	14 February 2023
Despatch of Annual Report to Unitholders	24 March 2023
Annual General Meeting	17 April 2023

Corporate Information

Trustee-Manager of
Keppel Infrastructure Trust

Keppel Infrastructure Fund
Management Pte. Ltd.

Registered Address
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Phone: +65 6803 1818
Fax: +65 6251 4710
Email: info@kepinfratrust.com
Website: www.kepinfratrust.com

Principal Business Address
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Singapore 098632

Investor Relations contact:
Phone: +65 6803 1857
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Directors of
The Trustee-Manager
Mr Daniel Cuthbert Ee Hock Huat
Chairman of the Board
Independent Director

Mr Mark Andrew Yeo Kah Chong
Independent Director

Mr Kunnasagaran Chinniah
Independent Director

Ms Chong Suk Shien
Independent Director

Mr Adrian Chan Pengee
Independent Director

Ms Christina Tan Hua Mui
Non-Executive Director

Audit and Risk Committee
Mr Mark Andrew Yeo Kah Chong (Chairman)
Mr Daniel Cuthbert Ee Hock Huat
Mr Kunnasagaran Chinniah

Nominating and
Remuneration Committee
Mr Daniel Cuthbert Ee Hock Huat (Chairman)
Mr Mark Andrew Yeo Kah Chong
Ms Christina Tan Hua Mui

Board ESG Committee
Mr Kunnasagaran Chinniah (Chairman)
Ms Susan Chong Suk Shien
Mr Adrian Chan Pengee

Investment Committee
Ms Christina Tan Hua Mui (Chairman)
Mr Daniel Cuthbert Ee Hock Huat
Mr Kunnasagaran Chinniah

Company Secretaries
Mr Tan Wei Ming, Darren
Mr Chiam Yee Sheng

Unit Registrar And
Unit Transfer Office
Boardroom Corporate &
Advisory Services Pte Ltd
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6438 8710

Auditors
Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809
Phone: +65 6224 8288
Fax: +65 6538 6166

Partner-in-charge:
Mr Ng Hock Lee
Year appointed: 2020

Notice of Annual General Meeting

KIT | KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to a Trust Deed dated 5 January 2007 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Keppel Infrastructure Trust ("**KIT**", and the holders of units of KIT, "**Unitholders**") will be held at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 (see Explanatory Notes 1 to 13) on 17 April 2023 at 2.00 p.m. (Singapore time) to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Trustee-Manager's Statement and the Audited Financial Statements of KIT for the year ended 31 December 2022 and the Independent Auditor's Report thereon. **Ordinary Resolution 1**

2. To re-appoint Messrs Deloitte & Touche LLP as the Auditor of KIT to hold office until the conclusion of the next AGM of KIT, and to authorise Keppel Infrastructure Fund Management Pte. Ltd., acting in its capacity as trustee-manager of KIT (the "**Trustee-Manager**") to fix their remuneration. **Ordinary Resolution 2**

3. To endorse the appointments of the following directors of the Trustee-Manager (the "**Directors**"), pursuant to the undertaking dated 1 March 2020 provided by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**") to the Trustee-Manager:

   (a) Mr Adrian Chan Pengee; and **Ordinary Resolution 3**

   (b) Mr Daniel Cuthbert Ee Hock Huat. **Ordinary Resolution 4**

   (Please see Explanatory Note 9)

(B) AS SPECIAL BUSINESS

To consider, and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That pursuant to Clause 6.1 of the trust deed dated 5 January 2007 constituting KIT, as amended and restated by an Amendment and Restatement Deed dated 18 May 2015, as supplemented by a First Supplemental Deed dated 17 April 2018 and as further supplemented by a Second Supplemental Deed dated 28 April 2022 (the "**Trust Deed**"), Section 36 of the Business Trusts Act 2004 (the "**Business Trusts Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Trustee-Manager be authorised and empowered to: **Ordinary Resolution 5**

   (a) (i) issue units in KIT ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that would or might require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

   at any time and on such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force, provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

    (a) any new Units arising from the conversion or exercise of any Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed; and

    (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Trust Deed (unless otherwise exempted or waived by the Monetary Authority of Singapore ("**MAS**")) and the Business Trusts Act (unless otherwise exempted or waived by the MAS);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (a) the conclusion of the next AGM of KIT or (b) the date by which the next AGM of KIT is required by law or applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment, notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Financial Controller be and are hereby severally authorised to complete and do all such acts and things (including executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Financial Controller may consider expedient or necessary or in the interest of KIT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 10)

5. That: **Ordinary Resolution 6**

(a) approval be and is hereby given for the renewal of, the Unitholders' general mandate for KIT, its subsidiaries and associated companies that are "entities at risk" as defined under Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, or any of these entities, to enter into any of the transactions falling within the categories of interested person transactions described in the Appendix accompanying this Notice of AGM dated 24 March 2023 (the "**Appendix**"), and generally on the terms set out in the Appendix, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of KIT and its minority Unitholders, and are entered into in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**Unitholders' Mandate**");

(b) the Unitholders' Mandate shall, unless revoked or varied by the Unitholders in a general meeting, continue in force until the date that the next AGM of KIT is held or is required by law to be held, whichever is earlier;

(c) the Audit and Risk Committee of the Trustee-Manager be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 which may be prescribed by the SGX-ST from time to time; and

(d) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Financial Controller be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Financial Controller may consider expedient or necessary or in the interest of KIT to give effect to the Unitholders' Mandate and/or this Resolution.

(Please see Explanatory Note 11)

6. That: **Ordinary Resolution 7**

(a) the exercise of all the powers of the Trustee-Manager to repurchase issued Units for and on behalf of KIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Trustee-Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market purchase(s) (which are not market purchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Trustee-Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Trustee-Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Trustee-Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of KIT is held;

(ii) the date by which the next AGM of KIT is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the market purchase(s) or, as the case may be, the date on which the offer pursuant to the off-market purchase(s), is made;

"**date of the making of the offer**" means the date on which the Trustee-Manager makes an offer for an off-market purchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market purchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 5% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market purchase of a Unit, 105% of the Average Closing Price of the Units; and

(ii) in the case of an off-market purchase of a Unit, 110% of the Average Closing Price of the Units; and

(d) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Financial Controller be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Financial Controller may consider expedient or necessary or in the interest of KIT to give effect to the Unit Buy-Back Mandate and/or this Resolution.

(Please see Explanatory Note 12)

7. That: **Extraordinary Resolution 8**

(a) approval be and is hereby given to amend the Trust Deed in the manner set out in the Appendix (the "**Proposed Trust Deed Amendments**"); and

(b) the Trustee-Manager and any of its Directors, Chief Executive Officer, Chief Financial Officer or Financial Controller be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Trustee-Manager or, as the case may be, the Director, Chief Executive Officer, Chief Financial Officer or Financial Controller may consider expedient or necessary or in the interest of KIT to give effect to the Proposed Trust Deed Amendments and/or this Resolution.

(Please see Explanatory Note 13)

(C) AS OTHER BUSINESS

8. To transact such other business as may be transacted at an AGM of KIT.

Unitholders are invited to send in their questions relating to the resolutions above to the Trustee-Manager by 2.00 p.m. on 2 April 2023. Please see Explanatory Note 6 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD
Keppel Infrastructure Fund Management Pte. Ltd.
(Company Registration No. 200803959H)
as Trustee-Manager of Keppel Infrastructure Trust

Darren Tan/Chiam Yee Sheng
Company Secretaries
Singapore
24 March 2023

Notice of Annual General Meeting

Explanatory notes:

1. The AGM will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on 17 April 2023 at 2.00 p.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for Unitholders to participate virtually**. In addition to printed copies of this Notice of AGM and the accompanying Proxy Form that will be sent to Unitholders, Unitholders can also access this Notice of AGM and the accompanying Proxy Form on Keppel Infrastructure Trust's website at **https://www.kepinfratrust.com/investor-information/agm-and-egm/** and SGXNet.

   The Trustee-Manager may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the Annual General Meeting as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. Unitholders should check Keppel Infrastructure Trust's website at the URL **https://www.kepinfratrust.com/investor-information/agm-and-egm/** or SGXNet for the latest updates.

2. Investors holding Units through relevant intermediaries ("**Investors**") (other than CPF/SRS investors) and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Trustee-Manager in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman as proxy in respect of the Units held by such relevant intermediary on their behalf, should contact the relevant intermediary through which they hold such Units as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

   In this Notice of AGM, a "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Arrangements relating to:

   (a) attendance at the AGM by Unitholders, including CPF and SRS investors;

   (b) submission of questions to the Trustee-Manager in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM; and

   (c) voting at the AGM by Unitholders, including CPF and SRS investors, or (where applicable) their duly appointed proxy,

   are set out in the accompanying announcement dated 24 March 2023. This announcement may be accessed at Keppel Infrastructure Trust's website at https://www.kepinfratrust.com/investor-information/agm-and-egm/ and SGXNet.

   A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy, but this is not mandatory.

   The instrument for the appointment of proxy ("**proxy form**") will be sent to Unitholders and may be accessed at Keppel Infrastructure Trust's website at **https://www.kepinfratrust.com/investor-information/agm-and-egm/** or SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

   A Unitholder who is not a relevant intermediary is entitled to appoint not more than two proxies. A Unitholder who is a relevant intermediary may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting. In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the form of proxy.

4. **The proxy form must be submitted in the following manner:**

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to **keppel@boardroomlimited.com**,

   in either case, by 2.00 p.m. on 15 April 2023, being **48 hours before the time appointed for holding the AGM**.

   A Unitholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

   CPF/SRS investors may appoint Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 5.00 p.m. on 4 April 2023, being 7 working days before the date of the AGM.

   An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 4 April 2023 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.

6. **All Unitholders and Investors may also submit questions relating to the business of the AGM no later than 2.00 p.m. on 2 April 2023:**

   (a) by email to **investor.relations@kepinfratrust.com**; or

   (b) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

   The Trustee-Manager will answer all substantial and relevant questions received prior to **2.00 p.m. on 2 April 2023** through the publication of its responses on Keppel Infrastructure Trust's website and on SGXNet by 2.00 p.m. on 12 April 2023.

7. All documents (including Keppel Infrastructure Trust's Annual Report 2022, the proxy form, this Notice of AGM and the Appendix to this Notice of AGM dated 24 March 2023 (in relation to the Unitholders' Mandate for Interested Person Transactions, the Unit Buy-Back Mandate and the Proposed Trust Deed Amendments)) and information relating to the business of the AGM have been, or will be, published on SGXNet and/or Keppel Infrastructure Trust's website at **https://www.kepinfratrust.com/investor-information/agm-and-egm/. Printed copies of Keppel Infrastructure Trust's Annual Report 2022 will not be despatched to Unitholders**. Unitholders and Investors are advised to check SGXNet and/or Keppel Infrastructure Trust's website regularly for updates.

8. Any reference to a time of day is made by reference to Singapore time.

9. **Ordinary Resolutions 3 and 4**
   Keppel Capital has on 1 March 2020 provided an undertaking (the "**Undertaking**") to the Trustee-Manager:

   - to procure the Trustee-Manager to seek Unitholders' endorsement for the appointment of the persons who are Directors as of 1 March 2020 ("**Existing Directors**") no later than the AGM to be held in 2023, provided that the Trustee-Manager shall seek Unitholders' endorsement for at least one-third of the Existing Directors (or if their number is not a multiple of three then the number nearest to one-third) at each of the AGMs in 2021 and 2022;
   - to procure the Trustee-Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
   - (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Trustee-Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM immediately following his or her appointment; and
   - to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the board of Directors ("**Board**") either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and with the regulatory approval for such appointment (if any) has been obtained.

The Undertaking shall remain in force for so long as Keppel Capital continues to hold a majority of the shares in the Trustee-Manager and Keppel Infrastructure Fund Management Pte. Ltd. remains as the trustee-manager of KIT. The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Trustee-Manager or Keppel Capital from appointing or procuring the appointment of any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Trustee-Manager.

Detailed information on the Directors can be found in the "Board of Directors" section of KIT's Annual Report 2022. Mr Adrian Chan Pengee will, upon endorsement, continue to serve as a member of the Board Environmental, Social and Governance Committee. Mr Daniel Cuthbert Ee Hock Huat will, upon endorsement, continue to serve as the Chairman of the Board, Chairman of the Nominating and Remuneration Committee, a member of the Investment Committee and a member of the Audit and Risk Committee.

The list of all current directorships in other listed companies and details of other principal commitments of the Directors are set out at pages 14 to 15 of KIT's Annual Report 2022.

10. **Ordinary Resolution 5**
Ordinary Resolution 5 above, if passed, will empower the Trustee-Manager from the date of the AGM until (i) the conclusion of the next AGM of KIT, (ii) the date by which the next AGM of KIT is required by law to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest, to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class, of which up to 20% may be issued on other than on a pro rata basis to Unitholders.

For determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the issued Units at the time Ordinary Resolution 5 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Ordinary Resolution 5 above, if passed, will also empower the Trustee-Manager from the date of this AGM until the date of the next AGM of KIT, to allot and issue Units to itself instead of cash in the event the Trustee-Manager elects in accordance with Clause 11 of the Trust Deed to receive all or any part of the fees due and payable to it in Units, provided that such allotment and issue shall be in accordance with the provisions of the Trust Deed, the Business Trusts Act and applicable regulations.

11. **Ordinary Resolution 6**
Ordinary Resolution 6 relates to the renewal of a mandate given by the Unitholders on 19 April 2022, approving KIT, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of these entities, to enter into transactions falling within the types of interested person transactions described as Interested Person Transactions (as defined in the Appendix) with any party who is of the class of interested persons described in the Appendix. Please refer to the Appendix for further details.

12. **Ordinary Resolution 7**
Ordinary Resolution 7 is to renew the Unit Buy-Back Mandate which was approved at the AGM of KIT on 19 April 2022 and if passed, will empower the Trustee-Manager from the date of the AGM of KIT until (i) the date on which the next AGM of KIT is held, (ii) the date by which the next AGM of KIT is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of KIT not exceeding in aggregate 5% of the total number of Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution, whether by way of market purchase(s) or off-market purchase(s), on the terms of the Unit Buy-Back Mandate set out in the Appendix unless such authority is revoked or varied by the Unitholders in a general meeting. The Trustee-Manager intends to utilise KIT's internal sources of funds, external borrowings or a combination of both to finance the repurchase of Units on behalf of KIT pursuant to the Unit Buy-Back Mandate. Please refer to the Appendix for further details.

13. **Extraordinary Resolution 8**
Extraordinary Resolution 8, if passed, will approve the Proposed Trust Deed Amendments which are set out in the Appendix. The Proposed Trust Deed Amendments are intended to amend the Trust Deed to provide for, inter alia, electronic communications of notices and documents to Unitholders. Please see the Appendix for further details.

Personal Data Privacy:
By (a) submitting any question prior to or at the AGM; and/or (b) submitting a proxy form appointing a proxy(ies) and/or a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or their agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or their agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or their agents or service providers) to comply with any applicable laws, listing rules, takeover rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to provide the Trustee-Manager with written evidence of such prior consent upon reasonable request.

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Proxy Form

KIT | KEPPEL INFRASTRUCTURE TRUST

(Business Trust Registration No. 2007001)
(Constituted in the Republic of Singapore as a business trust pursuant to a trust deed dated 5 January 2007 (as amended))

IMPORTANT

1. The AGM (as defined below) will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on 17 April 2023 at 2.00 p.m. pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for Unitholders to participate virtually.** In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to unitholders of Keppel Infrastructure Trust ("Unitholders"), Unitholders can also access the Notice of AGM and this Proxy Form on Keppel Infrastructure Trust's website at https://www.kepinfratrust.com/investor-information/agm-and-egm/ and SGXNet.
2. Arrangements relating to attendance at the AGM by Unitholders (including investors holding Units through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")), submission of questions to the Trustee-Manager in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at the AGM, and voting at the AGM by Unitholders (including CPF/SRS investors) or, where applicable, their duly appointed proxy, are set out in the Notice of AGM and the accompanying announcement dated 24 March 2023. This announcement may be accessed at Keppel Infrastructure Trust's website at https://www.kepinfratrust.com/investor-information/agm-and-egm/ and SGXNet.
3. This Proxy Form is not valid for use by investors holding units in Keppel Infrastructure Trust ("**Units**") through relevant intermediaries ("**Investors**") (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Such Investors (including CPF/SRS investors) should refer instead to the instructions set out in the Notice of AGM and the accompanying announcement dated 24 March 2023. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and no later than 5.00 p.m. on 4 April 2023 to make the necessary arrangements.
4. **Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of AGM dated 24 March 2023.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxies to vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We ____________________ (Name(s)) ____________________ (NRIC/Passport/Co Reg Number(s))

of ____ (address)

being a Unitholder/Unitholders of Keppel Infrastructure Trust ("**KIT**"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

or failing him/her, or if no persons are named above, the Chairman of the Annual General Meeting (the "**Chairman**"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of KIT ("**AGM**") to be held at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on 17 April 2023 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (other than the Chairman) will vote or abstain from voting at his/her/their discretion, as he/she/they may determine on any other matter arising at the AGM. In the absence of specific directions in respect of a resolution, any appointment of the Chairman as your proxy for that resolution will be treated as invalid.

No.	Ordinary Resolutions	For *	Against *	Abstain *
	Ordinary Business			
1.	To receive and adopt the Trustee-Manager's Statement and the Audited Financial Statements of KIT for the year ended 31 December 2022, and the Independent Auditor's Report thereon. (Ordinary Resolution 1)			
2.	To re-appoint Messrs Deloitte & Touche LLP as the Auditor of KIT, and to authorise the Trustee-Manager to fix the Auditor's remuneration. (Ordinary Resolution 2)			
3.	To endorse the appointment of Mr Adrian Chan Pengee as Director. (Ordinary Resolution 3)			
4.	To endorse the appointment of Mr Daniel Cuthbert Ee Hock Huat as Director. (Ordinary Resolution 4)			
	Special Business			
5.	To authorise the Trustee-Manager to issue Units and to make or grant convertible instruments. (Ordinary Resolution 5)			
6.	To approve the renewal of the Unitholders' Mandate. (Ordinary Resolution 6)			
7.	To approve the renewal of the Unit Buy-Back Mandate. (Ordinary Resolution 7)			
8.	To approve the Proposed Trust Deed Amendments. (Extraordinary Resolution 8)			

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✔) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Units in the boxes provided. If you wish to abstain from voting on a resolution, please tick (✔) within the relevant box provided. Alternatively, please indicate the number of Units which you wish to abstain from voting, in the box provided.

Dated this ____________ day of ____________________ 2023

Total Number of Units held	

____
Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

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Fold and glue along dotted line

Fold and glue along dotted line

Notes to the Proxy Form:

1. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 and maintained by The Central Depository (Pte) Limited ("**CDP**")), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of KIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
2. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.
3. The Proxy Form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors may appoint the Chairman may as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 5.00 p.m. on 4 April 2023, being 7 working days before the date of the AGM. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 4 April 2023 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.
4. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by 2.00 p.m. on 15 April 2023, being **48 hours before the time appointed for holding the AGM**.

   A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Fold along this line (1)

Affix
Postage
Stamp

Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy shall be deemed to be revoked if a Unitholder attends the AGM.
6. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Trustee-Manager shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Trustee-Manager shall have regard to any instructions and/or notes set out in the Proxy Form.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Trustee-Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Trustee-Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Trustee-Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
9. Any reference to a time of day is made by reference to Singapore time.

General:
The Trustee-Manager shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by the CDP to the Trustee-Manager.

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Keppel Infrastructure Fund Management Pte. Ltd.
(as Trustee-Manager of Keppel Infrastructure Trust)
1 HarbourFront Avenue, Level 2
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Singapore 098632

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